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NEWS SUMMARY

GENERAL

Lisbon rally ended by gas

pro-Government rally called Socialists and Popular Democrats in Lisbon broke up in wild order last night when gas and explosives were used in the middle of the night.

The attacks, which most observers believe to be the work of extreme Left, took place in the middle of a speech by Prime Minister Admiral Pinheiro de Azevedo, in the Terreiro da Paço, writes Paul Elton.

The Prime Minister stressed the need for discipline by his speech, warning that the danger of a dictatorship was present at both ends of the political spectrum. Back Page

BUSINESS

BR wins role as consultant to Iran

BRITISH RAIL has won a £10m contract to advise Iran on the modernisation and electrification of its railways that could lead to big export orders for BR and other U.K. contractors. Back Page

EMI may soon face strong competition in the developing U.S. market for the new X-ray technology it has pioneered.

Three rival manufacturers have filed the radiation safety documents required by U.S. regulations before such instruments can be marketed there. Page 6

CHRISTIAN U.K. aid decision by the Government is expected within the next 10 days by Mr. Jack Jones.

The TGVU leader is to write to the U.S. auto workers' union explaining the British position on the Chrysler crisis, following an offer of assistance. Page 6

OIL PLATFORM BRAYO in Norway's Ekofisk field has resumed production.

An inspection showed its feeder pipes had not been affected by the rust damage that led to the fatal explosion on Ekofisk Alpha.

Uncertainty over structure of BNOC

OIL INDUSTRY is still uncertain about the structure to be set up for the British National Oil Corporation, although the Bill setting up the group should receive the Royal Assent this week. It now appears possible that the appointment of a top oil industry executive as chief executive may be dropped in favour of a small operating unit with a part-time Board. Back Page

NATIONALISED industries are now the main source of inflation, with costs rising much faster than in the private sector.

Mr. John G. Sainsbury, Opposition spokesman on prices, called for a Price Commission inquiry. Page 4

CALEDONIAN BUILDING Society may merge with Bristol and West Building Society next month.

Its directors have recommended the move to their shareholders, who will consider it at a special general meeting on December 1.

CBI director-general, Mr. Campbell Adamson, has been appointed a vice-chairman of the National Savings Committee.

 Page 4

STATE SPENDING for the next financial year will have to be cut by about £1.5bn, compared with the levels indicated in the Budget this April, according to stockbrokers Phillips and Drew.

The rise in public spending is cutting investment and the rate of economic growth in Britain, the NatWest quarterly review suggests. Page 4

RELIGIAN Government plans to introduce an income policy for nine months in the New Year.

Page 7. In Switzerland the consumer price index was only 4.8 per cent higher last month than in October 1974.

BAUXITE PRODUCERS' association has recommended that member States implement a minimum pricing policy to cover all bauxite exported next year.

 Page 11

Scottish Daily News workers begin sit-in

SCOTTISH DAILY NEWS workers began their occupation of its Glasgow premises yesterday — the day after the co-operative-run paper ceased publication. Mr. Robert Maxwell is to meet the workforce tomorrow to discuss his suggested plan for an evening newspaper. Back Page

LUCAS AEROSPACE group shop stewards are considering how to proceed with an ambitious plan for the company, drawn up by its employees, which would radically alter its operation.

 Page 6

COMPAGNIE FRANCAISE des Petroles reports a sharp fall in 1975 first-half consolidated net group income to Frs.198m. (122m.).

 Page 25

BOOGOVERNS and the Shell Dutch metals subsidiary, Billiton, are to take an indirect majority interest in Sidal, a large Belgian producer of semi-finished aluminium products.

 Page 25

FITZWILTON group's directors foresee heavy losses being incurred by the fertiliser division during 1975-76.

 Page 24

'Mission accomplished' claims radio

King Hassan calls off march into Spanish Sahara

BY OUR OWN CORRESPONDENT: Rabat, Nov. 9

King Hassan of Morocco astounded his 17m. subjects to-night by telling them that the 350,000 "peace marchers" had to withdraw from the Spanish Sahara and return to Moroccan territory.

After a three-week campaign that whipped up patriotic fervour bordering on national hysteria, as wave after wave of marchers swept southwards for the "glorious green march," the King told his listeners in a broadcast that the whole operation had to go into reverse.

The King said that the marchers had "obtained the desired results and attained the desired objective" — but he gave no hint as to what exactly had been achieved.

"We must solve the problem in another way and with other methods," he said. "A negotiated settlement would be possible only in a fraternal atmosphere far removed from pressure from one side or the other."

Warships

The King's reference to negotiations conducted without pressures left observers speculating about the possibility of a prior agreement with Spain, to be implemented on the condition that the King withdraw his marchers. But if this would save face for Spain, observers believed it could have incalculable adverse repercussions for the King in Morocco.

Yesterday the King conferred for several hours with a special Moroccan envoy, Antonio Carrero Marín, Secretary of State at the Prime Minister's office. He came to Morocco after a Cabinet meeting on the Sahara crisis presided over in Madrid by Prince Juan Carlos, the acting Spanish Head of State.

The King's announcement Continued on Back Page

Sadat confident of U.K. arms and industry deals

BY RICHARD JOHNS

PRESIDENT SADAT returned home yesterday after his official visit to London, confident that he had obtained the essential political agreement of the British Government on the principle of arms and industry sales to Egypt on a worthwhile scale, and also participation by U.K. companies in the Arab Military Industries Organisation.

At a Press conference given on Saturday before his departure, President Sadat said that he was "completely satisfied" with the discussions held on defence supplies and collaboration. He pointed out that Egypt's negotiations with British arms were a continuing matter. They had started last year after his formal decision to diversify supply sources (as a result of Soviet reluctance to re-equip his country's armed forces).

Objective

But he refused to comment on the Anglo-French Jaguar strike aircraft which Egypt wants. According to those close to the Egyptian President, the main objective of his visit was to reach a general understanding about U.K. willingness to supply offensive weapons and he had succeeded in his mission.

They said that, although specific items including the Jaguar had been discussed, the talks had been on a general level and it was premature to speak of an order, let alone actual numbers.

Leyland to rethink Egypt plan

BY MICHAEL TINGAY

BRITISH LEYLAND is to rethink its involvement in Egypt. The result could be a larger, more comprehensive joint venture, including the provision of engines for Soviet tanks.

Work on the planned Land Rover production line, the site for which had been fixed in Alexandria, will almost certainly be abandoned when this reassessment has been completed.

Sir Ronald Edwards, the company's recently-appointed chairman, will head a delegation to Cairo in the near future for a re-examination of BL's involvement in the country.

During a private meeting between President Sadat and 19 industrial leaders on Friday at Claridge Hotel, Sir Ronald told the Egyptian leader: "We had a project on the books and nothing has happened. I would like to start the whole thing afresh if it can be arranged."

President Sadat assured him that it could be arranged. After the meeting, Sir Ronald discussed his visit to Cairo with both the President and Mr. Ismail Fahmy, Egypt's Foreign Minister.

British Leyland signed a letter of intent last year to build a production line with 10,000 Land Rovers a year capacity after assurances from Cairo that the company would be removed from the Arab boycott list.

Leyland is still blacklisted, but last March a written undertaking was received from the Arab Boycott Office that its name would be erased as soon as a contract with Egypt was signed.

Sir Ronald apparently believes that the Egyptians no longer really want a Land Rover factory as top priority and that waning interest caused the long delays.

The visit to Britain by President Sadat has given the company a chance to scrap the Land Rover factory plans without losing face.

While British Leyland is still formally on the Arab blacklist, the reassessment of BL's Egyptian plans may open the way for this problem to be circumvented.

Egyptian authorities hope Ford's plans to build diesel engines in Egypt can go ahead because the Arab Boycott Office rules out a ban on importing strategic materials for the defence of the Arab nation.

The same provision could be applied if plans included British Leyland engines for tanks or other armoured equipment. This would bring the company partly under the secure umbrella of

Meeting to-day on Prentice's future

BY PHILIP RAWSTORNE

MR. REG PRENTICE'S struggle to retain his Commons seat as Labour MP for Newham North-east reaches another critical stage to-day.

The Labour Party's organisation committee is to meet at Transport House this afternoon to discuss the report of an inquiry into the Newham constituency party's decision to replace Mr. Prentice, Minister for Overseas Development, as Labour candidate at the next general election.

The committee will decide what action it should recommend to the full national executive committee take about the affair.

A final decision, which could virtually determine Mr. Prentice's political future, will be taken by the national executive at its next meeting on November 26.

Evidence given to the inquiry — conducted by NEC members Mr. John Chalmers, Mr. Alec Kison and Mr. Tom Bradley — was circulated to all members of the organisation committee at the week-end.

But the inquiry team will not make known their conclusions until to-day's meeting.

Embarrassed

The committee can accept, reject or vary the Newham decision and most Labour MPs expect it to adopt the third course as the best means of resolving a dispute which has seriously embarrassed the party.

The widely-held view is that the committee will probably recommend a further test of opinion about Mr. Prentice's position within the Newham party as a whole.

The organisation committee to-day will also discuss a report by Mr. Reg Underhill, the party's national agent, on attempts by extreme left-wing groups to infiltrate the Labour Party.

Mr. Underhill is understood to have uncovered evidence of infiltration attempts in the TUC, TUC general secretary, Mr. Jack Jones, and in some constituency parties.

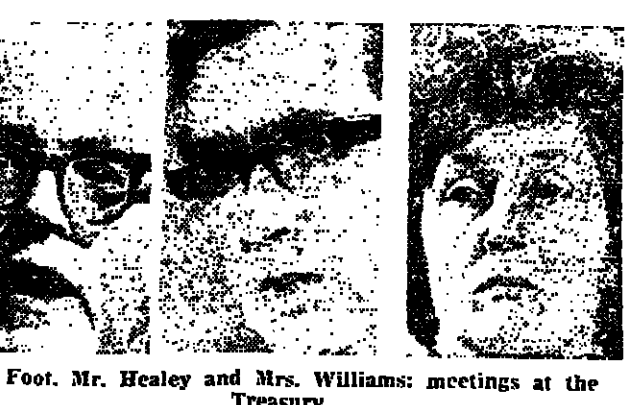
His report, it is said, will alert the Labour movement to the threat and further action at this stage appears unlikely.

Restricted

At a restricted meeting on Saturday morning, President Sadat said: "A new understanding and a new look in the attitude of the Labour Government has been evident in the past year. He revealed how Dr. Henry Kissinger, U.S. Secretary of State, following the failure of his March shuttle, had asked Mr. Wilson to use his influence with Israeli leaders."

Questioned whether he had asked Mr. Wilson if he could discuss with the Israeli leadership the possibility of their talking to the Palestine Liberation Organisation, he admitted, "I did discuss it."

Continued on Back Page



Mr. Foot, Mr. Healey and Mrs. Williams: meetings at the Treasury

Secret talks on pay policy

BY JOHN ELLIOTT, LABOUR EDITOR

MR. DENIS HEALEY, Chancellor of the Exchequer, has started the series of private talks with leaders of both sides of industry on wages and other economic affairs which will eventually lead on to consideration of a new pay policy next summer.

This follows agreement in August between the Government, CBI and TUC on a joint monitoring exercise of the £8-a-week pay limit coupled with price rises, unemployment and other factors.

Continue

Regular secret meetings are being held at the Treasury individually with leaders of the TUC and CBI by Mr. Healey, accompanied by Mr. Michael Foot, Secretary for Employment, and Mrs. Shirley Williams, Prices Secretary.

It was behind-the-scenes meetings such as these with union leaders earlier this year which paved the way for development of the £6 policy, and now, in a more formalised way, the Government hopes to continue to win the co-operation of the unions by showing six of their senior representatives the facts about the country's economic problems.

Reflation

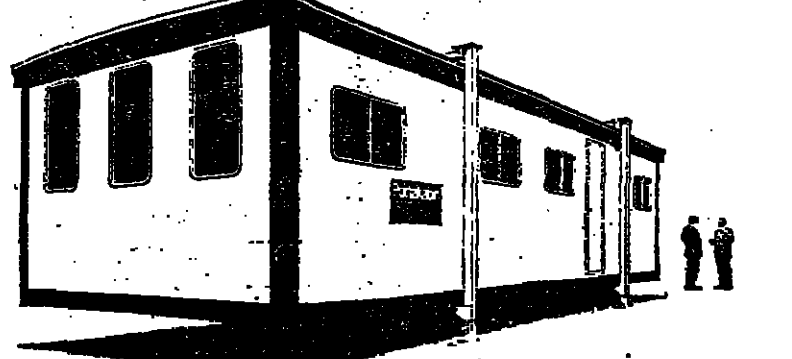
The TUC is unlikely to accept that the new IMF loan to the U.K. need be a hindrance to reflationary action, and union leaders are likely to press there for urgent action to stem any increase in unemployment, even though they know that this may well be resisted by the Government.

Before that, however, relations between the Government and the TUC could be soured by the problem of unemployment. Next month, in the wake of the Paris economic summit, and of an EEC Ministerial conference involving leaders of both sides of industry, the TUC will decide how much pressure to put on the Government for a measure of reflation.

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New York Opera

Opening week at the Met

by ANDREW PORTER

Someone remarked that "God save the Queen" might have been the anthem at the start of the season here. The first new production at the Metropolitan was Patrick Libby's *Costi fan tutte*; Elizabeth Harwood, Anne Howell and Rhydian Dafydd made their Met debuts in it. The next, three days later, was John Dexter's of *La Gioconda*. Rita Hunter's Norma is due soon. Meanwhile, next door at the City Opera, John Cox was rehearsing *The Master-singers*, with Norman Bailey as its protagonist and Carl Toms as its designer. The Chamber Music Society of Lincoln Center built its first concert around Thea Musgrave's *Space Play*; Britten's *Fifth Canto* and a new quintet for piano and winds commissioned from Lennox Berkeley figure on later bills.

At a Press conference in Salzburg this summer, James Levine, artistic co-director with Mr. Dexter of the Metropolitan, expressed his hope of one day re-ordering their house somewhat along Covent Garden lines: sharing it with a ballet company, and clustering performances which could then be given with stable and properly rehearsed casts. Meanwhile the old system reigns. In the first six days of its season the company played five different operas, two of them twice: *Le Siège de Corinthe*, *Boris Godunov*, *Costi fan tutte*, *La traviata*, and *La Gioconda*. The City Opera in its first four days played five: *Salome*, *I puritani*, *Die Fledermaus*, *Turandot*, and *La traviata*. Eight works, this season, are being done at both houses: *Figaro*, *I puritani*, *Il barbiere*, *La traviata*, *Die Meistersinger*, *Carmen*, *Butterfly*, and *Ariadne auf Naxos*.



Martina Arroyo in "La Gioconda"

La Gioconda, a big show, was the second production put on in the new house when it opened in 1966. It has large, opulent décor traditional by Benji Montresor. Christine Nilsson, Nordica, Destinn, Ponselle and Milanov have been the famous Met *Giocondas*, and the opera is not worth doing without one. The bottom of Martina Arroyo's voice is too weak to compass the role effectively, and her whole manner was mild, undramatic, and visually rather clumsy. Martina Dunn, at Lauro, had the right fire, and she alone showed much stage presence. The new tenor, Giorgio Casellato-Lamberti, looks handsome, and has a serviceable if unremarkable voice, but did nothing interesting or imaginative. Matteo Manuguerra was an alert, but imposing Barnaba. Fedora Barbieri, whose *Quickly* last season was still enjoyable, boomed out such of *La Gioconda*'s notes as the cold dull manage and wistfully essayed the other new bass, Malcolm Smith, was a passable Alvaro, and Giuseppe Patané the able conductor.

The evening was disappointing in several ways. It is years since I have seen Miss Arroyo, who has so warm, ample, and beautiful a voice, used effectively. Not since that Covent Garden *Leonora*, in fact, as *Lady Macbeth* at the Met, as Maria Boccagna in Chicago, and now as *La Gioconda* she seemed scarcely to have been directed. John Dexter is a puzzling producer. The *Devils* at the Coliseum was brilliant. *Les Vignes* at the Met was wrongheaded but resolute. But in the Met *Forza*, last season, and now in *La Gioconda*, there was no evidence of more than a "You move here, then you move there; in this scene, oh yes, you have fans and you stand at the sides and fan yourselves" approach. Lighting was achieved with follow-spots.

I wrote the paragraphs above after the first night, and let them stand only as a warmed reminder that first-night reviews are often inapplicable to later performances. I went back to the fourth *Gioconda*, and much had changed. Miss Arroyo sang passionately. Mr. Casellato-Lamberti was in ringing voice. Mr. Manuguerra had become more commanding. The chorus having gained confidence, was splendid. And the sum of these gains was that what had previously seemed no more than a ponderous, creaky old vehicle, inadequately occupied, provided an enjoyable, and even rather exciting evening.

Opening night at the Met was *Le Siège de Corinthe*, the production I described earlier this year, unaltered except by the removal of Shirley Verrett's moustache. (She plays Neocles, a young Greek officer.) It made an unsatisfactory evening. Rossini's *tragedy* (which had a minor Neocles) is crowded with Neapolitan predecessors. *Haemetto II*, translated into Italian, chopped and changed, and furnished with extraneous arias, including one not by Rossini at all. It becomes a crummy sequel to the decorative widdles. The show could perhaps be saved by a return to a more effective edition, either of *Haemetto* or of *Le Siège*, and it would be interesting to hear Montserrat Caballé or Joan Sutherland as its heroine, and Marilyn Horne as the queen. I have seen Sutherland too little to know, but Miss Verrett, a dmirable singer though she is, asks the kind of virtuosity that she has in the *Scala* production, and a fine record of the principal scene. But that would leave the problem of finding a tenor and a bass who could trace Rossini's lines less skilfully than Harry Thayer and Justin Diaz do.

The Met, which is the largest human opera house in the world, should by all the rules be far too large for Mozart, and yet free Mozart evenings—*Don Giovanni* and *Die Zauberflöte*, conducted by Peter Maag three seasons ago, and now *Costi fan tutte*—have been among the most balanced and rewarding that I have seen there. The *Costi* scenery, not bad, but Rolf Gérard's or the Alfred Lunt production of 1951 (a fancy affair that began with Lunt himself lighting the footlights); it is slight, but has the merits of being uncluttered and unemphatic and of seeming to reduce the Met stage to a Citybourne shape and size. Mr. Libby's production has the great merit of being lyrical and uncluttered: a polished study of human behaviour, bewitching, as *Costi* should be, entertaining, often touching—and not a romp.

Besides the three Britibers there was a Guglielmo, a fourth Met debutant, Richard Stilwell. His baritone is uncommonly steady and definite, and in his performances there is always a hint of patrician reserve; that is oddly attractive. This Guglielmo had nothing in common with the jolly vulgarian played by Robert Kerr in Covent Garden's last *Costi*; and he was the more earnestly romantic of the pair. Mr. Davies's Ferrando had his twinkly moments, though his two arias (the third, *Ab lo veggio*) was omitted; were done with a jolly vulgarian played by Robert Kerr in Covent Garden's last *Costi*; and he was the more earnestly romantic of the pair.

Miss Harwood's *Fiordiligi* was gentle, lyrical, and unexaggerated, "Viennese" sometimes in a mannered way, when distinctness was sacrificed to a "melting phrase, and at all jolly vulgarian played by Robert Kerr in Covent Garden's last *Costi*; and he was the more earnestly romantic of the pair.

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ally sensitive to the score and to one another.

Colette Boky's Despina was lively, a little peaky at the top. Renato Capechi, with very little voice (except in the trio "Soave sia il vento," which he seems to regard as a bass solo while two voices murmur above), achieved prodigies of virtuosos inflexion. I never saw Stabile in the part, but from his Malatesta and Falstaff, seasoned with dash of his Scarpia, could deduce rather such an Alfonso as Mr. Capechi provided. Kazimierz Kord, who the night before had conducted Boris, adopted several uncommonly slow tempi with such conviction that he made them persuasive.

Ballo was a poor show. There was a new cast, Teresa Kubiak could probably be a pleasing Amelia if she were taught the role properly, but she sang the upward span of "Consentimi o Signore" as separate notes, and often failed to join elsewhere. Later in the evening she hit several wrongs. Nicolai Gedda gave the impression of trying to sing consistently at the top of a very large voice (except in an elegantly turned "E scherzo od è follia," never much of an actor, he gave his Gustavus—the Swedish setting is used—a half-hearted touch of the "Gentile" reading, and waddled about rather than romantically striding the stage. Louis Quilico's Ankerström was solid of voice but also solid in manner. Maureen Forrester did not carry the guns for Ulrica. Roberta Peters's sparky, dapper Oscar was the high point. Under Henry Lewis, the score fell to pieces. The production is an old one of Renner's (1962) in scenery by

Covent Garden

Un ballo in maschera

by GILLIAN WIDDICOMBE

Un ballo in maschera is the most realistic of Verdi's tragic stories. Each step towards the king's assassination is aided by the irony, indiscretion, politeness and obstinacy of the more obvious extremes of love, anger, honour and temptation. And the love scene in Act I is the most extended and flowing ever written by Verdi. It needs and deserves realistic, plausible acting, as well as olden, lyrical singing. And though Otto Schenk's production, predominantly dull and static, began last January with three convincing characterisations: an upstive Amelia, a stiff Renato, and a loveable, flamboyantly mantic Gustavo. That trio was turned upside-down by the present revival, and the result is a little disconcerting. It brings Carlo Bergonzi back to Covent Garden as Gustavo; an evocative, alert, wooden king, the voice small, and past its prime; has lost its grace and ing. But the loss is disguised with

extraordinary art and what remains is protected with tension. Admittedly, Verdi places the tenor arias very favourably in *Ballo*: after the exhausting second act, an hour or so to recover in the dressing-room before the short, magnificent solo scene, and the cranky lingering of the assassination. However, on Friday, Bergonzi did not take the opportunity to sing the second act climaxes with abandon; everything was done elegantly with neat articulation and correct dynamic grading, especially those passages which so deliciously that a dark-toned tenor will usually sustain them fortissimo. "E scherzo" he sang jokingly throughout; and the only touch of vulgarity was a mistaken attempt to swoop a portando line in the sailor's aria. It was admirable, but not moving. Moreover, Signor Bergonzi's appearance was not convincing; and though the wardrobe has already discarded one costume, it remains a problem. With Sherrill Milnes as Renato, the handsome upstand-

ing, lovable character, is now the wretched husband. Mr. Milnes was in fine voice on Friday; the opening aria blandly done, but "eri tu" splendidly sung with a nicely sustained line, and a fierce but not forced expression. His characterisation seemed particularly welcome since it included some excellent, dramatic reacting to the conspirators' mocking and the wastefulness of the assassination.

Amelia is a sketchy role, best served by a soprano with strong personal charm. Gilda Cruz-Romo's pianissimo was ravishing, her tone fine and warm, though generously scaled down to match Bergonzi on Friday evening. Her expression was touching, but nun-like and gentle, hardly a romantic, impulsive heroine. Reri Grist's Oscar is retained from the original cast, and is in better vocal form this time, her arias sung with bright, sparkling tone. Edward Downes has taken over the conducting. He dragged the third act oddly, but cared for his singers solicitously.



Sherrill Milnes, Gwynne Howell and Forbes Robinson

Sherman, Cardiff

Aneurin Bevan Struggles against the Iron Heel

by B. A. YOUNG

It's too early yet to put Aneurin Bevan on the stage. He is too familiar still, his ambitions and what he did about them (or didn't do) still matter in our lives. But before going into that more deeply it is interesting to speculate why the Welsh Drama Company should have commissioned David Ilingworth to write a piece about him.

The company is an English-language company and so has a problem in being sufficiently Welsh. Welsh players are employed whenever possible, but good Welsh plays in English, once you have exhausted Emily Williams, aren't easy to find. Earlier this year the company played Alan Richards' *The Snowdrops* with Welshmen in the lead. As it turned out, the play was anti-Welsh Nationalist and the Welsh lead played a Cockney.

There is as yet little sign that the Welsh prefer Welsh plays or can distinguish Welsh players from English or Scottish ones, yet it is clearly proper that the company should take a Welsh line, appreciated or not. Bevan is the first national hero since the deceased Lloyd George, and though his triumphs were not particularly oriented towards

Wales, at any rate it was the Welsh voters of Ebbw Vale who kept him in power.

David Ilingworth and his director (and researcher) Howard Davies have met the problem of over-familiarity by under-stressing the personalities surrounding their hero. Even Bevan himself as Colin McCormack plays him is not a simulacrum like George Colthur's Churchill in *Soldiers*. He wears the right kind of clothes (smarter and smarker as he ascends the social scale) and stands in the right positions. His accent is pretty exact, the voice has the right shrillness and the slight stammer, though without it's sounded like w's, apparently a hallmark of Socialist success. But this is all, and enough.

What emerges is genuine Bevan, because the soul of Bevan has been put into it, and this is what we need. No one cares what Hamlet looked like or how he spoke, yet we know Hamlet intimately. McCormack gives us the cocky figure the cartoonists drew but the man whose name will be found in the history books of the future, even if only in a footnote.

Could that, I wonder, be his fate? Mr. Ilingworth has traced his hero's progress from youth to death, through the Miners' Federation, the Tredegar UDC, the County Council, the House of Commons, the Cabinet, through the General Strike, the various rifts with Labour, the appointments to the Ministries of Health and Labour; ending on the disastrous note of the 1957 speech at Brighton defending British nuclear weapons.

I can't believe the material is chosen deliberately to provoke this result, but what we see is a succession of failures. (Even the National Health Service, once his pride, now looks pretty dicky.) Between 1952 and 1956 he was beaten in his bids for the deputy leadership, the treasurer-ship and the leadership of the Labour Party. He died in 1960; what had he achieved? Can it be that Mr. Ilingworth's title is not catchpenny politics but satire?

The production makes no attempt at extraneous theatrical interest, but stands or falls by the words, many of them taken good. The play now moves to Aberystwyth, Cwmbran, Bangor and Swansea. Its progress will be interesting.

of the news highlights, pattern of everyday dress suggests instantaneously any kind of meeting from an action group to the Chamber of the House. The words are all—sometimes rousing, sometimes terrifyingly silly (There should be no rearmament in Britain, said Bevan in 1939, until the people could be sure on which side the Government stood and they could only be sure of that with a Labour Government in office).

I am not over-fond of documentary theatre, but I found this sporadically moving. It might have been more so if fewer, more important matters had been chosen rather than this tapestry of a whole public life.

Is it the answer to the problem of current Welsh drama? In Tredegar, where the company gave an opening performance at the Miners' Welfare Hall, it seemed at first as if Bevan's fellow-townsmen had lost interest in him, but a late advertisement in the local paper filled the 700 odd seats of the house. In Cardiff the attendance had been good. The play now moves to Aberystwyth, Cwmbran, Bangor and Swansea. Its progress will be interesting.

Greenwich Theatre

Fallen Angels

by B. A. YOUNG

No one could call *Fallen Angels* a masterpiece of wit and comedy, but it is a half-made comedy; but it is a remarkable advance over Noel Coward's previous play, *The Vortex*. The *Vortex* is a representation (as Coward saw it) of contemporary society, a real people involved in all sorts of self-activity to sure a degree that audiences found them positively alarming. To-day the play is totally unconvincing. *Fallen Angels*, on the other hand, is nothing but a comic soufflé, its characters no more than cleverly designed puppets. It comes up as fresh as paint.

The fact is that Coward was really not very good at the serious bit. His characters, even as late as his final *Suite in Three Keys*, had little conviction about them when he meant us to believe in them. But he had an immense talent for the kind

of comedy in which it was unnecessary to take anyone seriously, where he could exercise his individual gift for realism. The wonderful comedies of his middle period, with their elegant symmetry of design, should never go out of fashion as long as there are audiences left to appreciate this brand of craftsmanship.

Coliseum

The Merry Widow

by ELIZABETH FORBES

The English National Opera revived its three-year-old production of *The Merry Widow* last week at the Coliseum. Neither the original designer is mentioned in the programme credits, though John Cox is acknowledged as part author of the lyrics and sole author of the dialogue, while illustrations of costume designs by Elizabeth Dalton are still shown. The production as it now stands has indeed been much altered, especially in the third act. Rehearsed by David Ritch, the staging is efficient and will no doubt gain in smoothness as apparent spontaneity after a few more performances.

Lehar's marvellously tuneful, cunningly written score demands the most careful, affectionate treatment. Owain Arwel Hughes, conducting for the first time at the Coliseum, obviously likes it well enough, but liking is not love, and some of his tempos are too rigid. He shapes the famous waltz idiomatically, but sometimes hushes the singers. This criticism does not apply to "Vilja," in which Mr. Arwel Hughes supported Lois McDonnell with infinite tact. Miss McDonnell has become a splendid Hanna Glawari, who now points her dialogue as well as she sings the music. Her Pontevodian costume is especially becoming, and her tall, statuesque good looks are perfectly in period.

John Wakefield is Danilo; in Hood still bravely turns a cart- every respect but one he is a wheel.

The Entertainment Guide is on Page 29

Fortune

The Charles Pierce Show

by MICHAEL COVENEY

It is, I suppose, bold of a commercial management that has in the past claimed to present family entertainment to bring to London "California's favourite male actress" in a show aimed specifically at a coterie audience.

The cabaret is full of imperiousness of favourite gay pin-ups: Katherine Hepburn in a trouser suit with a scrambled script full of references to little Sebastian who came suddenly last summer; Betty Davis dealing with the Baby Jane Crawford clumping down the stairs in her wheel-chair and a slovenly, drunken Miss Bankhead at a Hollywood cocktail party; Gloria Swanson as Norma Desmond coasting down Sunset Boulevard; and a flash with Jeanette MacDonald floating out towards that blue horizon on a floral swing that lights up and refuses to come down.

Mr. Pierce's attitude to female sexual activity is nudging and unpleasant. He gags about Liberace making film in which he gets married to a woman—a sort of science fiction horror movie. The comment on heterosexuality as something unnatural and sickening is more powerful than the cheap laugh at Liberace's expense. Heterosexuality is also mocked: in a blacked-out quickie, we hear the tune of "Strangers in the Night," the sound of cracking whips and an orgasmic yelp of release. Sex is any shade or form is cheap, and Mike Hall makes the romantic Frenchman just what he should be in this context, a passé and over-dressed head waiter off duty. Joyce Grant as the Swanson as Norma Desmond, scientist housemaid, knows precisely the style required, with the ghost of a confidential smile for the audience as she scores her points.

James Roose-Evans is the director, and the curtained drawing-room with its pretty painted door-panels is the work of Peter Rice.



Charles Pierce

Harold Fielding is the producer, and the show is an evening with Charles Pierce who makes Danny La Rue look like Julie Andrews. Mr. Pierce is an unrepentantly gay drag actor rather than a female impersonator, drily describing himself as a "humour sexual" and not a "homosexual." ("We all know what they are—folks who like sex in the home").

Arts

Orlando the Marmalade Cat buys a cottage

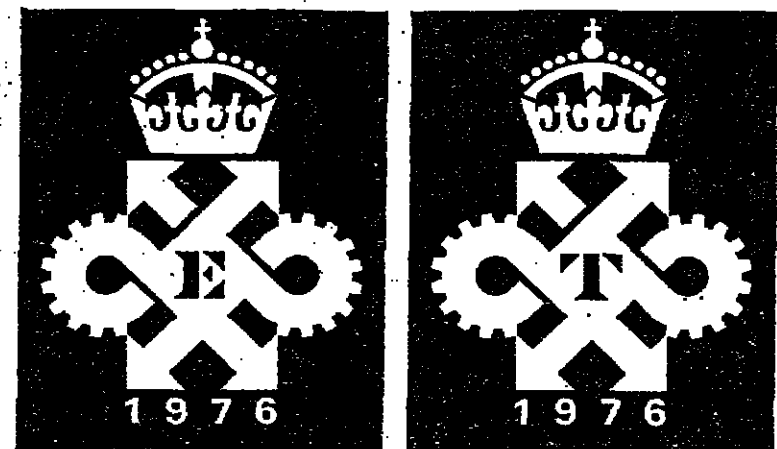
The first staged version of one of Kathleen Hale's books featuring the character she created in the thirties is playing at the Arts Theatre from November 30. Playing that is, to packed houses of adult and child fans of Orlando, the marmalade cat.

The Unicorn stage story includes puppets and people-size characters. Orlando, Grace, and their kittens Pansy, Blanche and Tinkle are life-size in their own environment, that is in the cat-neck of the woods, but when juxtaposed with their Master and his human colleagues, Orlando and the kittens are reduced to hand-manipulated puppets. Either king-size or cat-size, the enchantment is constant.

William Corlett has adapted the book for a show intended for 4 to 10 year olds and his dialogue is beautifully tailored to fit this age-group. The danger of boredom arising from youngsters' fighting to comprehend unfamiliar and high-blown multisyllables is not encountered here. Visually too, the production is a story-book delight. All the sets and stage effects and fuzzy-furry costumes add up to a sumptuous package deal.

Derick Fuke is the impressive, bordering on the slightly pompous Orlando, Catling Hunt is his adoring consort and Anita Dobson, Penny Casdagli and Duncan Faber the girly or squabbling siblings. No credit is given to the puppet controller whose nameless, faceless talents were, nevertheless, tapfully received.

DEBORAH PICKERING



Now there are two Queen's Awards.

The Queen's Award to Industry Scheme has been reviewed and in future there will be two separate Awards entitled:

- "The Queen's Award for Export Achievement" and
- "The Queen's Award for Technological Achievement"

The first of the new style Awards will be made in 1976 and the lists of Award winners will be announced on the Queen's personal birthday, 21st April.

General arrangements and selection procedures remain basically the same as before but eligibility for the Export Award has been extended to certain

classes of indirect exporting and to export agents.

For full details about eligibility and for application forms get in touch with The Secretary, The Queen's Awards Office, 1 Victoria Street, London SW1H 0ET, Telephone number 01-222 2277, telex 27366.

Any industrial unit based in the United Kingdom, Channel Islands or Isle of Man, producing goods or providing services, may apply irrespective of size.

Please send in your application as soon as possible.

The closing date for the 1976 Awards is 30 November 1975.

HOME NEWS

Leyland shifts to quality car market in Japan

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

TOKYO, Nov. 9.

BRITISH LEYLAND is making a decisive switch in its marketing tactics in Japan, abandoning all attempts to compete in the popular end of the market and shifting its attention to its quality cars.

A team of Leyland International executives is due in Tokyo this week to begin detailed talks on the company's plans with Shintokyo Motors, its main Japanese distributor.

The basis of the meeting was mapped out at preliminary talks in London. Mr. Paul Sung, president of Shintokyo, said at the weekend.

The move comes at a sensitive time in the development of motor industry trade between Japan and the U.K. It comes after a spell of growing pressure by trade unions in Britain for import controls against Japanese cars and a series of speeches from Mr. Peter Shore, Trade Secretary, saying that Japanese imports to the U.K. must be brought down and that the Japanese should present more opportunities in their own market for British-built cars.

The Japanese have said repeatedly that the failure of British cars in Japan is due to the poor marketing, and with this new policy Leyland will be hoping to deflect some of the heavy criticism it has been receiving recently for its supply problems and indifferent sales record in Japan.

At the same time, however, the policy indicates that Leyland has given up hope for the time being of competing on equal terms with the Japanese in the mass market. From comments by leading importers at the Tokyo Motor Show, which ended yesterday, it appears that no European manufacturer of popular cars is given much chance of a big success in Japan.

The Japanese say that the best hope for European manufacturers is to concentrate on specialist cars, where they can command a high price premium for quality and original style. Prices for European popular cars are too high to be competitive.

Emission laws

Another problem which may also have prompted Leyland's move is the stiffer emission regulations due to be introduced in Japan next year. The Mini, Leyland's main model in the high-volume market, will not meet the standards, which will be the toughest in the world.

As in the U.S., the new Leyland management has apparently decided to concentrate its sales effort on the quality market rather than incur the heavy expense of bringing the Mini up to standard. Mr. Sung is strongly in favour of the new policy, although he believes that Shintokyo could be

in danger of losing some of its 77 outlets as volume falls off next year.

The problem is that for some time after the abandonment of the Mini, of which 450 were sold in Japan last year, the distribution network will have to be carried by two Jaguar models—the 4.2 and 5.3 litre vehicles—and the Triumph Spitfire.

The Jaguar and Spitfire models totalled just 338 sales last year, against a little over 900 for Shintokyo, including Minis, and Rovers (which will all be discontinued next year). In the longer term, Mr. Sung says that Leyland will be discussing the introduction to Japan of its new Rover, due out next year.

He thinks that this could build up a reasonably high volume—BMW, for example, last year sold just over 1,000 units—at a more modest price than the two Jaguar models, which retail at between £14,000 and £16,500. Mr. Sung would also like to begin importing the TR7, which has been sold only in the U.S. so far.

The Leyland strategy falls in line with the views of some other importers, who feel that it is better to attack the Japanese market with higher quality cars than try to meet the local manufacturers head on in the high volume popular sector, where Japanese prices are keenly competitive.

State industries costs probe urged

BY PHILIP RAWSTORNE

MRS. SALLY OPPENHEIM, Conservative spokesman on prices and consumer protection, yesterday called for an urgent inquiry into the costs of nationalised industries.

"The nationalised industries are now the main source of inflation in this country," she told a meeting in her Gloucester constituency. "Urgent action must be taken to safeguard consumer interests."

Accusing the Government of "just adding" with the fringe of the problem, Mrs. Oppenheim suggested that the Price Commission should carry out the initial investigation.

Unjustified costs should be pruned and cash limits imposed, and ways of introducing an element of competition in some sectors should be examined.

Electricity prices had risen by 87 per cent. in less than two years and gas prices by 60 per cent. in under a year, and action was needed before a further series of crushing price increases were imposed on consumers.

"The first question that needs to be answered is why are costs going up so much faster in the nationalised industries than in the private sector?" "Many people would say they know the answer already—extravagance, waste, inefficiency, back-passing, over-manning and empire building. Certainly these are all practices commonly associated with the nationalised industries."

"It is not necessarily those who run and work in the industries who are to blame—it is the

very nature of the beast that causes its deficiencies. The system stifles personal freedom and bog-ties the industry in a vast web of bureaucracy."

The nationalised industries were the pace-setters for pay increases. "Pay has risen twice as fast in the public sector as in the private sector. Clearly this is an inflationary influence on the whole economy, as is the effect of their huge deficits, on taxes and on the Government's borrowing requirement."

"Private enterprise is not faultless, but at least it has to face the realities of competition and the healthy disciplines of having to live within its means."

Import controls wrong-retailers

By Elinor Goodman

IN AN attempt to fend off import controls, the Retail Consortium produced figures yesterday showing that if all imports of consumer goods were banned tomorrow it would not make a significant difference to the balance of payments.

But the consortium said that a ban would add significantly to the cost of living. The main drain on the balance of payments, the consortium claims, comes not from consumer goods but from imported raw materials and semi-manufactured goods.

Thatcher '50-year setback'

By Philip Rawstorne

THE ELECTION of Mrs. Thatcher as Prime Minister would set the genuine and justified aspirations of working people back 50 years, Mr. Bob Mellish, Government Chief Whip, said yesterday.

He told his Birmingham constituents that the Tory leader was "giving an up-dated impersonation of the Grand Old Duke of York—she dreams of the days of Imperial grandeur when the troops marched up the hill on a diet of inequality, unequal opportunity, privilege and class distinction."

Mrs. Thatcher had not thought out the effects of her ideology on millions of ordinary people. "What she wants to impose upon us is a society in which a minority of people get as of right the best education, the best jobs, the best homes, the best hospital treatment and the lowest possible taxation on their incomes."

"The well-heeled are approaching the Pearly Gates. That sort of policy would have been reactionary in the 19th century. It is incredible that any major political party should bring it forward in 1975. It is blatant class war at its worst."

"I say to those Labour voters who are moaning about their Government: 'God help you if you get Margaret Thatcher.' Her policies, if implemented, would bring tears to the eyes of a bullfrog."

Stockbroking firm urges £1.5bn Government cuts

BY MICHAEL BLANDEN

THE GOVERNMENT will have to cut some £1.5bn in its spending for the next financial year compared with the levels indicated in the Budget this April, according to the latest review from stockbrokers Phillips and Drew.

The labour force, the firm argues, has been asked to sacrifice its living standards so that inflation can be brought under control. "We are convinced that this effort will be wasted in the medium term unless the Government cuts public spending for the 1976-77 year."

A cut of £1.5bn, the brokers argue, would be a "responsible compromise" to avoid stopping the economic recovery which now appears to be fairly imminent. But the cuts expected to be announced in the new year White Paper on public expenditure fall short of the £3bn needed to hold the growth of the money supply down to levels in line with the planned reduction in the rate of inflation.

Even with the £1.5bn reduction in public spending, the brokers foresee that money supply will grow at a rate of 17.5 per cent. through next year. But if the Government tried to hold this down to say 10-12 per cent, the result would be to starve industry of new funds.

The review highlights the complex dilemma facing the Government after a week in which important steps have been taken in the attempt to overcome the country's economic and financial problems. Its conclusions suggest that it may be impossible to reconcile the various objectives of ensuring a recovery in industrial activity and investment and limiting the rise in unemployment, bringing about an improvement in the balance of payment situation and at the same time establishing a permanently lower level of inflation.

Phillips and Drew agree with recent indicators, including last week's CBI survey, that the recession has bottomed out. They comment: "Although the apparent inability to promote substantial investment growth over the next six months must be seen as a weakness of the recovery, the pick-up appears sufficiently broadly-based for us to assume that not only is the worst of the recession over, but that we are on the verge of an upturn in economic activity."

Their concern over the stationary situation, however, has been heightened by a further revision of the impact of Government spending. The recovery of activity, they argue, is likely to bring a greater financial requirement by companies than suggested by many commentators mainly because of the need to finance stocks.

Moreover, "unless the Government cuts its current expenditure for public spending in the 1976 financial year, or permits a rapid acceleration in the money supply, its own borrowing requirement is likely to inhibit recovery by starting the private sector of necessary funds."

Even after a £1.5bn cut, the review expects the public sector deficit in 1976 to amount to £10.5bn. This will bring further strain on the banking system.

Tax relief call for charities

External deficit

The balance of payments problem has been highlighted by the decision to go to the International Monetary Fund for a \$2bn loan. In spite of the depth of the U.K. economic recession, it is felt to be disappointing that the country's external deficit remains so high.

After an exceptionally good first half, the figures are expected to deteriorate in the second half of the year with the October figures due on Friday providing an important pointer, and with signs at present that the outlook for the year as a whole could be a current deficit of around £1.5bn.

TAX INCENTIVES to encourage greater individual charitable giving are urged in a report published today by Wells International Donors Advisory Service.

It says that the lower rate of individual giving as opposed to company giving in Britain, compared with that in the U.S., probably reflects the lack of tax deductible incentives for British citizens to give personally.

Assuming a 20 per cent rate of inflation, charitable giving will have to expand by a further £76m a year if charities are to operate on a 1973 scale.

State spending rise 'curbing growth'

BY MICHAEL BLANDEN

THE GROWTH of public spending as a share of the national product cuts investment and the rate of economic growth, says an article in the latest National Westminster Bank quarterly review.

Mr. David Smith, principal research officer in the bank's economic analysis section, concludes that every 5 per cent. increase in the share of national disposable income absorbed by direct State consumption implies a 1 per cent. drop in the country's growth rate.

His analysis will provide further ammunition in the argument over the level of Government spending.

It indicates that the growth of Government expenditure is a problem affecting the short-term management of the economy, and the level of inflation and a main factor depressing the long-term performance of the U.K. economy.

Private sector

In the same issue, Dr. David Lomax, the bank's economic adviser, claims that Government intervention and the impact of official economic measures have endangered the private sector of industry and put it "at the mercy of Government."

His comments after last week's moves toward more effective economic planning and co-operation with industry suggest that further official action is needed.

"The present structure of regulation, including particularly

the lack of tax adjustment in relation to the existence of price control, are constraints which, as now implemented, are almost certain to cause the private sector's persistent decline," he says.

If the sector was to play its part, "it is urgently necessary that there is a commitment on the part of Government to this end so that people may have some underlying confidence."

Mr. Smith's analysis of State spending reaches two main conclusions. First, "over the long run inflation does not appear to be related to the magnitude of public current expenditure."

Secondly, "the level of gross capital formation does appear to be adversely affected by increased public consumption."

He estimates that in the U.K. "the sustainable medium-term rate of economic growth has fallen by between 0.6 per cent. and just over 1 per cent. since the mid-1950s as a result of the expansion of the public consumption sector."

"Much of Britain's inflationary crisis may stem from a failure to recognise the extent to which the potential growth rate of the U.K. economy has slowed."

"More fundamentally, the problem stems from the political environment in which policies of all parties have tended to favour a larger State consumption sector, while at the same time concealing the fact that such largesse needs to be paid for by a diversion of economic resources from productive use."

National Savings office for Campbell Adamson

BY DONALD MACLEAN

MR. CAMPBELL ADAMSON, director-general of the Confederation of British Industry, has been appointed a vice-chairman of the National Savings Committee. He is the first director-general of the CBI to hold office on the committee, although the Confederation has been represented there for a number of years.

This appointment comes at a time when the savings movement is receiving a substantial inflow of funds, largely as the result of the introduction last June of index-linked Savings Certificates, available to people of national retirement age. Not savings in the first six months of the financial year amounted to £170m, excluding undistributed interest.

Commenting on his appointment, Mr. Adamson said that the National Savings movement was "an effective way of stimulating

public awareness about the part which people can play in helping towards economic recovery through balanced payments and consumption."

His appointment would "help to stress the importance which industry places on the role of savings, which were 'after all' the corollary of investment."

Mr. Leith Murray, general secretary of the Trades Union Congress, is a vice-chairman of the committee. The participation of both Mr. Adamson and Mr. Murray in the committee's June of index-linked Savings Certificates "gives even greater impetus to its efforts to achieve its 'social and financial objectives,'" said Sir John Astor, president and chairman of the committee.

HOW FAR CAN YOU GET FOR £1 THESE DAYS?

ANDORRA 4 minutes	AUSTRALIA 57 seconds	BELGIUM 4 minutes	CANADA 1 minute 20 seconds
CYPRUS 2 minutes 12 seconds	DENMARK 2 minutes 50 seconds	FINLAND 2 minutes 50 seconds	FRANCE 4 minutes
GERMANY 2 minutes 50 seconds	GREECE 2 minutes 12 seconds	HONG KONG 57 seconds	ISRAEL 57 seconds
ITALY 2 minutes 50 seconds	LUXEMBOURG 4 minutes	MONACO 4 minutes	NETHERLANDS 4 minutes
NEW ZEALAND 57 seconds	NORWAY 2 minutes 50 seconds	SINGAPORE 57 seconds	SOUTH AFRICA 57 seconds
SPAIN 2 minutes 50 seconds	SWEDEN 2 minutes 50 seconds	SWITZERLAND 2 minutes 50 seconds	U.S.A. 1 minute 20 seconds

You probably know there are some international phone calls you can dial direct.

But do you know just how many countries you can dial direct?

Or how many cities in those countries you can dial direct?

Or, most important of all, how little direct dialling can cost?

HOW MANY COUNTRIES? At the moment, if you're on an exchange with International Dialling—about 60% of telephone users already are, and the list is constantly growing—there are 26 countries you can dial direct.

Alphabetically, they range from Andorra to the U.S.A. Geographically, they stretch round the world. And there are more joining the system all the time.

Cyprus and Finland, for example, will be available within the next few days on November 17th.

HOW MANY CITIES? There is a school of thought that thinks international direct dialling is confined to European capital cities.

Well, Wagga Wagga is a long way from Europe, and is certainly not a capital city, but you can dial straight through from the U.K.

The same is true of Oberammergau in Germany, Skatek in Denmark, and Fort Worth, Texas.

In most countries, anywhere linked to the automatic network can be dialled.

Which means that literally tens of thousands of places, throughout the length and breadth of Europe and North America, are within your reach.

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As with domestic calls, there are major bargains to be had during Cheap Rate. But one thing is almost certainly true, whenever and wherever you call.

It's cheaper than you think. Probably a good deal cheaper. Three minutes to Zurich, for example, costs about £1.05.

Two minutes to Hong Kong will set you back £2.10. New York costs 75p a minute. Or 50p during Cheap Rate.

And Wagga Wagga, in the Australian outback? £1.05 a minute. And remember—the shorter the call, the cheaper the cost. If, for example, you can say what you have to say to someone in Brussels in 20 seconds, you'll have change out of 10p.

HOW EASY? Your Telephone Dialling Code Book contains basic information about international direct dialling, including a list of countries which can be dialled, and the dialling codes for the main towns. Which are much the same as inland codes, if a little longer.

If you want a more comprehensive list of dialling codes for a particular country, or details of international charges, we'll be happy to send you one of our special booklets. Just dial 100 and ask for Freetone 2013.

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factories, farms... throughout your environment. And—in the teeth of inflation—we keep the costs down.

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HOME NEWS

EMI challenged for new X-ray market in U.S.

BY DAVID FISHLOCK, SCIENCE EDITOR

EMI MAY soon face intense competition in the market now opening up for the new X-ray technology it has pioneered.

Three domestic manufacturers in EMI's main market have filed the radiation safety documents required by the U.S. Government regulatory authorities before such instruments can be marketed in the U.S.

EMI recently announced its first orders—worth £4m—from North America for the latest version of its new X-ray instrumentation.

Up to 25 instrument-makers may now be at various stages of studying, designing or building the new X-ray instruments, according to a critique in the U.S. journal, Science.

The instruments—known generically as CAT-scanners (computerised axial tomography)—are being hailed by some radiologists as the greatest advance in medical X-rays since their discovery in 1895.

They are certainly a dramatic example of the value of harnessing a mini-computer to instrument technology.

The great merit of the CAT-scanner is that it can differentiate clearly between tissues that differ very little in density or in X-ray absorption. It does this by x-raying the patient from a large number of angles, rotating the camera round the part of the body under examination.

A mini computer then reconstructs mathematically a three-dimensional image of, for example, a section through the skull or the chest. The reconstructed image can be displayed on a TV-type screen.

The whole process can be carried out rapidly enough to inconvenience the patient very little—an x-ray picture of the heart and lungs can be taken if the patient simply holds his breath for about 20 seconds.

Potential

The Science article acknowledges that EMI, which launched the first of the CAT-scanners—the EMI-Scanner—in 1972, "has been largely responsible for the enthusiasm for CAT-scanners and has inspired the emergence of several competing scanners."

The potential market was very large, with some observers forecasting that within a decade the instrument would appear "nearly everywhere that conventional x-ray machines exist now."

The total sold throughout the world is approaching 500, of which more than 200 are in operation.

CAT-scanners cost on average \$385,000 in the U.S., plus a \$25,000 a year service contract "to keep them operating." The latest body scanners may cost \$550,000 or more.

Land Bill may scrape through

BY JOHN HUNT

THE PROLONGED battle between the Lords and Commons over the Community Land Bill—the measure which empowers local authorities to take development land into public ownership—enters its final stages at Westminster this week.

The controversial legislation has its third reading in the Lords to-day and returns to the Commons to-morrow with about 200 amendments, including 20 important ones.

It goes back to the Lords on Wednesday when it is expected to scrape through and become law on the last day of the present "spill over" session.

The Government will certainly take action in the Commons to remove or tone down the chief Lords amendments. For their part, Conservative peers have no intention of forcing a constitutional crisis by continuing to oppose any such changes.

The Conservatives in the Lords maintain, however, that their stiff opposition and detailed line-by-line scrutiny has been successful in persuading the Government to remove or modify many of the most objectionable features in the Bill.

Lord Sandford, who has led the Conservative attack together with Baroness Young, declared over the weekend: "Although its major principles remain unchanged, there are now more safeguards for individual rights and a much clearer link between the Bill's intentions and the planning framework."

As a result of Opposition pressure the Government has dropped the provision that local authorities need not state the purpose for which they intend to acquire development land—probably the most important concession of all.

It has also agreed that planning permission must be related to relevant development and that the definition of development land is no longer to be left simply to the opinion of local authorities.

Another concession means that the owner of property such as a house, a factory or commercial premises, within a disposal notification area, need not inform the local authority when he intends to dispose of the property provided the recipient is a member of his immediate family.

As a result of a further modification, local authorities will have to give more information about planned development which could result in them acquiring development land under the terms of the Bill. All Orders designating relevant development will have to be published in local newspapers and made available for inspection at local authority offices.

In addition to the Government's own concessions, there are many important Opposition amendments and these are likely to be contested by the Government.

Some relate to the disposal notification areas which will be established by local authorities and in which owners intending to dispose of property will have to inform the local authority thus giving it the first option to buy the property. An Opposition amendment protects the single dwelling house from this provision.

The list of property which is exempt from the terms of the Bill has also been widened by Tory amendments and, as a result, horticultural land has been exempted.

Another provision of the Bill would have denied a home-owner the right to a public inquiry against a compulsory purchase order if he had previously had the opportunity of objecting to a general plan for the area. A Conservative amendment reinstates the owner's right to a public inquiry.

One of the most bitter battles during the course of the legislation has been the position of churches and charities. They are exempt from the provisions of the Bill for all land held up to September 12, 1974, and were also granted an 11-year respite from the terms of the legislation.

When they are brought within the Bill it would mean any of their land which was acquired by a local authority would be paid for at current use value and not its market value.

An amendment passed by the Bishops of London and Rochester, however, exempted churches and charities from the Bill altogether and later the Tories passed an amendment to pension funds. These amendments are expected to remain the main bones of contention during the final arguments this week.

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LABOUR NEWS

Lucas workers plan radical strategy

BY LORELIES OISLAGER, LABOUR STAFF

SHOP STEWARDS in the Lucas Aerospace group this week are considering how to proceed with one of the most ambitious and radical alternative plans drawn up for a company by its workers in recent years.

Technology is, in fact, the only thing that Lucas Aerospace as it is now and a company reformed under the alternative "corporate plan" would have in common, and technology would not be the same either.

Senior stewards on the company's combine committee, which represents about 14,000 blue and white collar workers in the company's 14 factories, set the plan in motion last year when they came to the conclusion that rationalisation in Lucas Aerospace would inevitably mean redundancies, quite apart from the present slump conditions.

Drawing on radical ideas outside the mainstream of present political thought, the committee called for an alternative strategy under which Lucas technology would be used for projects "both socially useful and profitable" and under which traditional production methods would be largely abandoned.

The corporate plan is being kept secret until the committee has decided how to use it—whether as an overall strategy to be discussed with the company and the Government or in a piecemeal fashion each time a plant is threatened with redundancies.

But some of the main proposals have emerged, calling for the implementation of the plan to be automatically made Lucas a "capitalist" enterprise. They say that it would still be cheaper for society to keep workers employed on socially useful projects even if they make a slight loss than to keep people on unemployment benefits or social security.

Shop stewards do not claim that implementation of the plan would automatically make Lucas a "capitalist" enterprise. They say that it would still be cheaper for society to keep workers employed on socially useful projects even if they make a slight loss than to keep people on unemployment benefits or social security.

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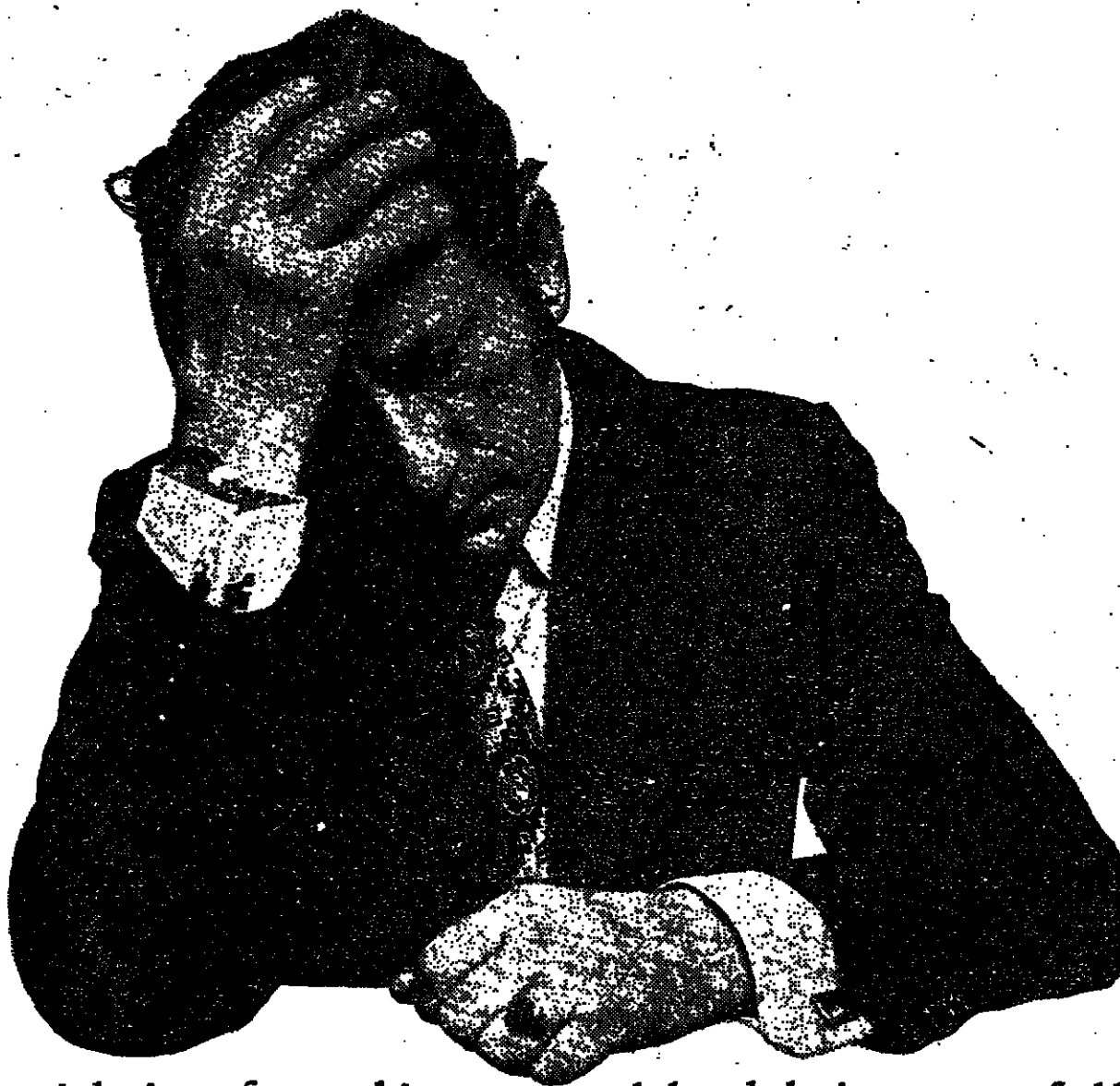
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How to help your finance director avoid a nervous breakdown



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Jack Jones expects early decision on Chrysler

MR. JACK JONES, general secretary of the Transport and General Workers' Union, expects the Government to decide within the next ten days what kind of assistance it can give Chrysler to continue operations in Britain.

It was probable that a Chrysler delegation would come to the U.K. to learn of the decision, he said.

Mr. Jones plans to write to the United Automobile Workers in the U.S., explaining in detail the British trade unions' position that Chrysler ought to continue producing in this country.

This follows an offer of assistance from Mr. Leonard Woolcock, president of the UAW, which Mr. Jones has already accepted in principle in a cable this week-end. In this he asked the American union to use "best endeavours to influence the Chrysler Board to continue operations in Great Britain."

Mr. Jones said yesterday that UAW leaders would meet the Chrysler Board on November 12. But he expected that in the meantime the British Government would have made its decision.

The rise necessary to maintain a skilled labour force in agriculture "must therefore be paid for by the whole population of Britain in the form of slightly higher food prices." To pay for a 150-a-week minimum wage, not seriously expected to hold out for this claim.

On the assumption that the present £8 limit will be followed by another incomes policy, the unit recommended a special inquiry into farm workers' pay, "taking as its starting point the need to raise the minimum pay for ordinary farm workers to 50p per week in March 1975 terms."

The study accepted that the farming industry would face considerable difficulties in paying such wages at present.

The Low Pay Unit recommended that farm workers should receive the full £8-a-week rise allowed under the Government's counter-inflation policy this year. The unions demand £9.50 to bring the minimum wage up to £40 a week, but are not seriously expected to hold out for this claim.

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OVERSEAS NEWS

New MPLA offensive on eve of independence

BY JANE BERGEROL

LUANDA, Nov. 9.

WITH ONLY 34 hours to go to Angola's independence and the final withdrawal of remaining Portuguese forces and the High Commissioner, the Popular Movement for the Liberation of Angola (MPLA) is preparing to launch a new offensive against the FNLA and Unita in what is clearly to be a new and fiercer phase of the Angolan war.

Qualitatively and quantitatively, the eight months of fighting between Angola's three rival liberation movements is now being transformed into all-out war, with the help of increased supplies of military weapons and manpower from the movements' foreign supporters.

From midnight on Monday night, the taken Portuguese presence will have gone and with it the last impediment to the MPLA bringing in big arms shipments through Luanda's international airport and shipping port. Neither of the other two movements, the Zaire-based FNLA and Dr. Jonas Savimbi's weaker Unita, have suffered such impediments over the past months. FNLA has had a free hand to increase its arms supplies across the Zaire border since the end of 1974, while Unita has brought in considerable weapons from Zaire and Zambia over the period from July onwards.

Whether or not to-morrow sees the announcement of three or two rival Angolan Governments, the FNLA/Unita military alliance is sufficiently solid on the ground in central and southern Angola for the war to have effectively turned into a straight battle between two, rather than three, opposing camps.

MPLA is expected to start shipping and airlifting in more weapons from midnight on Monday night, while the FNLA/Unita forces have, since the October 23 joint offensive, shown their hand with use of mercenary armoured columns, using sophisticated Panhard armoured cars and relying on logistical air support enabling them to move at the hitherto unprecedentedly rapid rate of 120 kilometres a day inside Angola, pushing up from the south towards Luanda.

The MPLA military sources said to-day that helicopter gunships had been used by the mercenary column in their capture of Benguela. This is the first time aircraft have been used in strike capacity since the war began last March.

President Idi Amin said to-day Uganda will break off relations with the Soviet Union if he does not receive within 48 hours an explanation from Soviet leader Leonid Brezhnev about what the Ugandan head of State called Soviet involvement in Angola.

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Independence at gun-point Page 30

No Salt deal this year, Ford admits

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Nov. 9.

PRESIDENT Ford publicly admitted to-day that there is now no chance of a new Salt agreement on limiting U.S. and Russian nuclear arms this year—or of a summit meeting between himself and Mr. Brezhnev, the Soviet leader.

In an hour-long TV interview with NBC, the American President did not rule out a Salt agreement in the early months of 1976 before the election campaign gets fully underway, but he said that "problems" and "complications" in the negotiations made it unlikely this year. The same was also true of Mr. Brezhnev's promised summit visit to the U.S. in return for President Nixon's trip to Moscow in the summer of 1974.

The main purpose of such a meeting would be for the two leaders to complete and announce a new arms limitation pact, and until agreement is in sight Mr. Brezhnev is not expected to set a date for his visit.

President Ford's admission to-day is not particularly surprising, since it has been clear for some while that the Salt talks had run into difficulties and the chances of an agreement this year looked slim.

The more important question, however, is whether it will be possible to complete the negotiations before the Ford Administration is engulfed by the election campaign.

President Ford said again to-day that he was in no hurry to get an agreement, and that the important thing was to make sure the U.S. got good terms in

any new arms limitation pact—not to sign one quickly.

Nevertheless, the conventional wisdom in Washington at the moment is that if agreement cannot be reached by next February, the whole exercise will have to be put off until after the election, which leaves less than a year before the initial Salt treaty expires.

The principal problems still unresolved in the negotiations relate to the Soviet Union's insistence that the new ceilings on strategic nuclear weaponry agreed at Vladivostok last January should apply to America's as yet undeveloped "cruise missile" while the U.S. wants them to cover Russia's new "backfire" bomber.

BELGIUM TO INTRODUCE PAY POLICY

By David Curry

BRUSSELS, Nov. 9.

THE BELGIAN Government is planning to introduce an incomes policy for nine months from the New Year.

It is proposing to extend all collective wage agreements expiring before 1976, until the end of September, along with a freeze on rents, dividends and professional fees.

For an experimental one-year period, industry will offer voluntary retirement at the age of 62 to 64 for men and 58 to 59 for women, as a way for making room for young unemployed.

Bangladesh President pledges elections, frees prisoners

BY OUR FOREIGN STAFF

THE NEW Bangladesh regime has taken the decisive action to power to elected representatives, the former Chief Justice Abu Mohammed Sayam, sworn in as President and chief martial law administrator on Saturday, said on Bangladesh Radio, monitored in London, yesterday.

On Saturday the President ordered the release of five political prisoners who had been jailed during the regime of the late President Sheikh Mujibur Rahman. They included Major Mohammed Abdul Jalil and Abdur Rab, the president and general secretary of the now defunct JSD opposition political party.

Daoud Khan Majlis adds from Dacca: There are now definite indications that Brig Khalid Musharraf's coup was backed by India. The plans were that they would release four leaders of Sheikh Mujib's regime and install two of them as President and Prime Minister and then invoke the Indo-Bangladesh treaty under which, if requested by Bangladesh, India was committed to help meet any threat to Bangladesh's security.

This apparent scheme failed when the four former "lieutenants" of Mujib were brutally murdered inside Dacca goal early last Monday. Having realised that their primary aim had failed, the "putschists" tried to take and maintain power till they could muster enough support among the people.

But the majority of the army and officers, who are strongly anti-Indian, countered and on Friday night the men and

the NCOs almost on their own, took the decisive action to power to elected representatives, the former Chief Justice Abu Mohammed Sayam, sworn in as President and chief martial law administrator on Saturday, said on Bangladesh Radio, monitored in London, yesterday.

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The local Press is now describ-

ing the counter-coup of November 7 as the "glorious Sepoy revolt". But this has also caused a serious problem for the present regime. The chain of command in the armed forces seems to have broken down and yesterday Gen. Ziaur Rahman was reported to be trying his best to bring about some semblance of order. There are still dissident groups among the army men who are not accepting orders. Tanks which moved out of Dacca streets on November 6 are again back in position. They are guarding the broadcasting centre and the President's house. A curfew has been imposed in Dacca from 11 p.m. till 5 a.m. every day.

Congress in 'unswerving support' for Mrs. Gandhi

BY K. K. SHARMA

NEW DELHI, Nov. 9.

WITH the Supreme Court verdict on Mrs. Indira Gandhi's election case delivered, attention is being given to the timing of elections to Parliament and further changes in the Indian constitution. Decisions on these are expected within a fortnight.

The first concern of the ruling Congress Party appears to be to consolidate the gains of the past four months that the emergency has lasted, culminating in the Supreme Court verdict upholding Mrs. Gandhi's election.

Meanwhile, the Congress Parliamentary Party has avoided

expressed its "unswerving support" to Mrs. Gandhi's leadership and at a meeting over the week-end it pleaded for continued efforts "to contain the defeat of the forces of destabilisation which are still at work."

An obviously jubilant Mrs. Gandhi spoke of the need for constant vigilance to safeguard stability of the country and referred with passion to the developments in Bangladesh to say that new democracies were based on a delicate balance which had to be carefully nurtured if disaster is to be avoided.

Whitlam, Fraser agree to talks on budget crisis

CANBERRA, Nov. 9.

PRIME Minister Gough Whitlam and opposition leader Malcolm Fraser to-day agreed to meet to discuss Australia's four-week-old constitutional crisis.

The agreement on the meeting between the two men followed earlier statements by Mr. Whitlam rejecting an offer by Mr. Fraser for talks.

Mr. Fraser's Liberal Party and the allied National Country Party have used their Senate majority

funds, will start to run out later this month. The opposition wants a general election, more than a year before the present Government's three-year term of office expires.

Mr. Whitlam had earlier rejected an invitation by Mr. Fraser to hold talks on the crisis.

Mr. Fraser said in a statement that opposition leaders were willing to meet Mr. Whitlam immediately to end the deadlock, but a spokesman for the Prime Minister described this as "not an offer at all."

In a nationwide television address, Mr. Whitlam called on Australians to stand firm together to force the opposition majority in the Senate to pass his Government's August budget.

Without the money appropriated in the budget Bills, the Government is rapidly running out of funds to meet its financial obligations.

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block the Labour Government's budget Bills in an attempt to force an early general election. Both men have declared they would hold firm to their opposing positions. They are due to meet in private on Tuesday. Unless agreement is reached, the Government's supply of

Army arrests 1,300 in Argentine guerilla sweep

BUENOS AIRES, Nov. 9.

MORE THAN 1,300 people were arrested in Argentina overnight in operations connected with the army's stepped-up campaign against left-wing guerrillas, official sources said to-day.

The "spreading" Army-guerilla war also left six guerrillas and a soldier dead after a battle in northern Tucuman province, he sources said about 1,300 people were arrested in the eastern city of Mendoza, 700 miles from here, when police and soldiers raided homes of suspected guerrillas.

On the political front, controversy continued to mount over alleged corruption in the government of President Maria Estela Peron who faces an impeachment threat. The small Bloquista opposition party last week formally asked congress to begin impeachment proceedings on the grounds that Mrs. Peron was not competent to continue ruling.

Another opposition group, the Progressive Democratic Party, said yesterday the President should resign.

Lebanese arms round-up

BY HUSAN HIJAZI

BEIRUT, Nov. 9.

WITH THE Lebanese ceasefire apparently holding, new efforts by Premier Rashid Karami have begun to try to disarm the vilian population.

Mr. Karami declared in a statement yesterday that arms could be collected if stability to continue. He announced that he was now working on an act of action which would seek to reorganise the army and internal security forces in an effort to strengthen the authority of the State.

The Premier began his new drive after a shipment of weapons was predominantly Christian port Jounieh a few miles north of here. Mr. Karami is expected to submit his new ideas at the

regular session of the Cabinet under President Suleiman Franjeh on Wednesday.

From Rome, Dominick J. Coyle reports that concerted campaign by the Palestine Liberation Organisation (PLO) for wider diplomatic recognition internationally, has been further advanced by its success in securing observer status at the UN Food and Agricultural Organisation's governing conference, despite strongly voiced Israeli and American opposition.

Cardinal Paolo Bertoli, special envoy of Pope Paul, arrived in Beirut to stress Vatican opposition to any division of Lebanon between Christians and Moslems as a means of ending the country's months of civil strife.

SAUDI ARABIA

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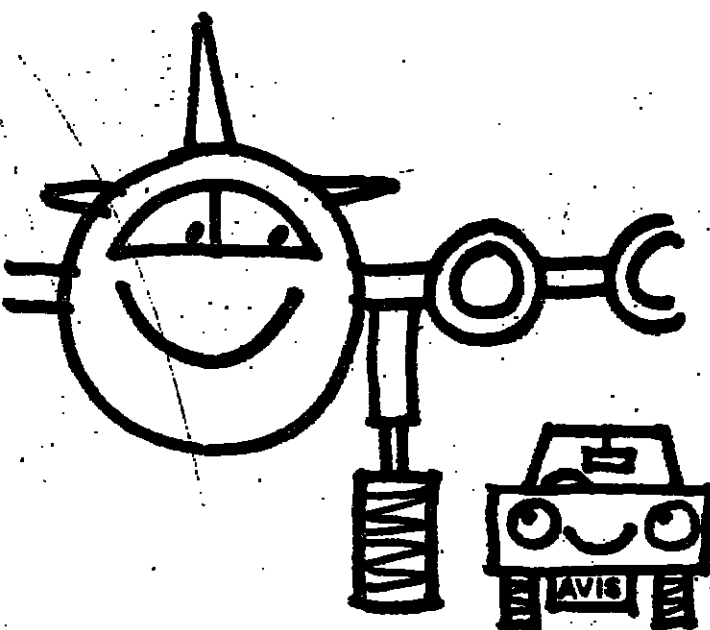
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GDR Engineering Week in Great Britain

10th—14th November, 1975 in London

Good prospects for more intensive Trade between the German Democratic Republic and the United Kingdom

The 18th December marks the second anniversary of the signing, by the governments of the German Democratic Republic and the United Kingdom of Great Britain and Northern Ireland, of the long-term agreement on economic, industrial and scientific co-operation. This anniversary coincides with the second meeting of the joint government commission being held in Berlin, to discuss ways and means of providing a further stimulus to trade and technical and scientific cooperation between the two countries, for which the GDR considers the present circumstances to be extremely favourable.

The GDR and the United Kingdom established diplomatic relations before the signing of the agreement at government level. This event in February 1973 laid sound foundations for long-term trade links and resulted in a substantial rise in export sales as early as 1974. The generally closer links which are now being established between all European countries will obviously facilitate a further and substantial expansion in mutually beneficial two-way trade. The economic structure and potential of both countries offer possibilities for further such rates of growth in trade between them. In 1974, shortly after the recognition of the GDR as an independent state by the capitalist industrialised countries, trade with these countries rose by 30%. The countries where increase was greatest within the extraordinarily high rate of growth were Belgium, Sweden, the Netherlands, the Federal Republic of Germany and the United Kingdom.

One of the chief factors contributing towards a further increase in trade with the capitalist industrialised countries is the considerable potential and dynamism of the economy of the GDR. In October 1975, the GDR ranked tenth in the world — in terms of gross industrial production. Its expected



The British Ambassador in the GDR, Mr. H. B. C. Keeble (r.), greets the First Secretary of the Central Committee of the Socialist Unity Party (SED) Erich Honecker (2nd from l.), the Chairman of the Council of State Willi Stoph (3rd from l.), the GDR Prime Minister Horst Sindermann (extreme l.) and other members of Party and State leadership of the GDR during their visit to the British Exhibition at the 1975 Leipzig Autumn Fair.

national income figure for 1975 assures it seventh place in Europe, while the GDR ranks even higher in the production of a number of selected products.

The potential of the GDR is based on the country's cooperation with the other partners in Comecon and in particular with the USSR. Sixty-nine per cent of the GDR's total exports between 1971 and 1974 went to Comecon countries. This figure reflects a high level of international specialisation and division of labour which enables each country individually to concentrate its scientific and technical resources on selected areas in order to achieve optimum results. One example of this policy in action is the high standard achieved by the GDR machine tool industry, which over the last ten years has exported 50,000 machines to the

capitalist industrialised countries — a figure requiring no further comment. The U.K. companies which use GDR machine tools to increase their productivity include Guest Keen & Nettlefolds, Ford and David Brown. Other important exports to Britain from the GDR include wire rope-making machines, textile machinery, scientific instruments, electrical and electronic products, metallurgical products, chemicals and consumer goods such as cameras, domestic and camping equipment, furniture, toys and musical instruments and potash. The GDR sees genuine possibilities of expanding exports and of increasing the share of products from the metal-working industry over the next few years.

The smooth, dynamic growth of the GDR's economy naturally encourages its western trading partners to look for increased exports to that country; and the

United Kingdom is among them. Hitherto the main goods imported from the United Kingdom by the GDR have been chemical products, machine tools, textile machinery and other specialised machinery and equipment, as well as textiles and luxury foodstuffs. The preparation of the new Five Year Plan, which will cover the period 1976 to 1980, will give many companies the opportunity to increase sales to the GDR and many British firms

will be interested in the GDR's need for a range of items of capital equipment which is considerable by international standards.

Intensive negotiations have for some time been under way on the extension of trade links, co-operation in business with other countries and the development of scientific and technical co-operation—as is evidenced by the British attendance at the Leipzig Fairs in Spring and Autumn, which was greater than ever before and the exchange of trade delegations. Discussions to date show that the commercial links between the GDR and the United Kingdom are gradually increasing and that there is considerable potential for further expansion. Further evidence is to be found in the agreements between GDR foreign trade organisations and important capitalist firms which have recently been concluded. Such agreements for more intensive cooperation exist between the GDR's Chemie-Export-Import organisation and ICI Ltd., and also with Shell. An agreement has also been signed between Guest Keen & Nettlefolds and a consortium of GDR foreign trade organisations. Here, too, there is great scope for the development of trading relations between the GDR and the United Kingdom to the benefit of both countries. The GDR is keen to see this happen.

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Latest Achievements in GDR Engineering to be seen in London

The Chamber of Foreign Trade of the GDR and the London Chamber of Commerce are conducting a GDR Engineering Week in Great Britain from November 10th to 14th. The aim is to promote the exchange of views and experience between engineering experts of the two countries, thus contributing to an expansion of trade between them.

In the course of the week more than 20 engineering experts and technicians from the GDR will give 30 lectures on scientific and technical problems and ways to solve them. Subjects will range from machine tools, textile machinery and printing machinery engineering to electro-technology and electronics, precision instrument construction and the building industry.

Well-known experts, design engineers and other specialists from internationally known factories and research institutes of the GDR will speak; they will represent Carl Zeiss Jena, the Professor Manfred von Ardenne

Institute in Dresden, the Research Institute for Textile Technology in Karl-Marx-Stadt, the Metal-Forming Technology group of works in Erfurt, the "Polygraph" printing works in Leipzig, the machine tool engineering works in Berlin and Karl-Marx-Stadt and the GDR Building Academy. Representatives of a number of other engineering enterprises, including the Thuring electro-motor works, the locomotive and electro-technical works in Hennigsdorf and the plastics machine works in Freital, will also be present.

The Engineering Week is one of the many activities resulting from the long-term government-level agreement on economic, industrial and scientific-technical co-operation signed between the two countries in December, 1973. It is part of the working programme of the joint GDR-Great Britain Government commission. Experience gained since the agreement indicates that a new phase in economic relations has commenced. Co-operation has de-

veloped rapidly within the scope years. These include Niles Type DLZ 400/IV centre lathes, the signing of a long-term contract some time ago between the GDR Chemie-Export-Import firm and ICI. This was the result of many years of good co-operation between the two firms and opened up new possibilities.

While ICI now delivers an increased quantity of dyestuffs, plant protectives and pesticides and other products to the GDR, British imports of GDR chemical products are increasing. Similar contracts were signed between the appropriate GDR foreign trade firms and Guest Keen Nettlefolds and Shell.

In spring this year a delegation of the Confederation of British Industries (CBI) headed by Lord Layton, Vice-Chairman of the Board of Directors of the British Steel Corporation, visited Berlin. During the visit, negotiations were conducted with top representatives of GDR foreign trade and industry. All the talks revealed that there were favour-

able opportunities for a rapid build-up of economic relations between the GDR and Great Britain. Lord Layton and other leading British industrialists also had the opportunity to meet GDR Prime Minister Horst Sindermann, who stressed the importance attached by the GDR to a further expansion of bilateral economic relations on a basis of equality. Lord Layton pointed out that many British industrialists were greatly interested in expanding economic relations with the GDR. The experience of the months' trade relations and firms involved in this bilateral trade justifies the statement that a knowledge of both sides of the economic, scientific and technical potential of the other country is an important condition for an expansion of economic relations.

The Engineering Week is intended to satisfy the desire of British engineering circles for more information and also to find suitable ways for more fruitful co-operation both in technical and in new fields.



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"GDR Engineering Week in Great Britain" 10th-14th November 1975

ALL EVENTS TAKE PLACE AT THE LONDON CHAMBER OF COMMERCE, 58 CANNON STREET

Monday, 10/11/75		(Wed. 12/11/75 cont.)	
10.30	Speaker Dipl. Ing. P. Reinhardt Dr. N. Pauligk	10.30	Speaker Dipl. Ing. H. Schoeler
10.30	Subject Sheet-fed offset in the GDR	10.30	Subject Photogrammetric measurement and its applications in industry
	Use of the service duct system in new building developments	13.30	Dipl. Ing. E. Beschmitt
	a) Machine system for erection of roofing segments	13.30	Dipl. Ing. H. Schoeler
	b) System for reconditioning water supply piping	15.30	Prof. Dr. Ing. K. Pestel
10.30	Dr. G. Krahnert	15.30	Dipl. Ing. H. Schoeler
	Kneelless milling machines, machining centres and machining systems for processing prismatic parts	15.30	Dr. Lehnhardt
13.30	Dipl. Ing. H. Kraeker	10.30	Dipl. Phys. P. Doeppel
13.30	Dipl. Ing. W. Philipp	10.30	Dipl. Ing. K. Schmidt
	Web offset machines from the GDR	13.30	Dipl. Ing. G. Edelmann
13.30	Dipl. Ing. oec. J. Roller	13.30	Dipl. Ing. C. Huether
15.30	Dipl. Ing. P. Reinhardt	13.30	Dr. H. Foerster
	Economic boring with numerically controlled jig boring machines	15.30	Dipl. Ing. D. Erth
15.30	Dr. Dr. Döring	15.30	Dipl. Ing. G. Huether
15.30	Dipl. Ing. D. Rietzel	15.30	Dipl. Ing. R. Holle
15.30	Dipl. Ing. W. Hartung	15.30	Prof. Dr. Ing. K. Pestel
	Further development of two-column presses and the rational production of sheet-metal formed parts	15.30	Dipl. Ing. H. Krumbiegel
13.30	Dipl. Ing. W. Weizel	10.30	Ing. H. Hoffmeyer
15.30	Dipl. Ing. W. Jahn		
Wednesday, 12/11/75			
10.30	Prof. Dr. Ing. K. Pestel		
	Manufacturing process for whirling coil sheets for heat exchangers		
	Rationalisation of twist drill production		
	The technical and economic situation efficiency of the GDR textile machinery industry		



Economic Growth furthers the Comprehensive Social Programme

The 15th plenary session of the Central Committee of the Socialist Unity Party (SED) was able to present a favourable balance early in October in Berlin. Consumer goods prices have again remained stable this year, real wages have continued to rise and there will be jobs for all in the future, too.

People here rightly rely on the fact that social security for the working people is a central aim of government policy. The 8th Party Congress of the Socialist Unity Party stressed in 1971 that "We have only one aim which runs through the entire policy of our party, and that is to do our utmost for the welfare and happiness of the people and for the interests of the working class and all working people." This was the fundamental aim of the current Five-Year Plan.

The fact that the socialist state guides the social processes is also the reason for stable prices of foodstuffs and industrial goods, maintenance and repair services and transport. The government allocated over fifty thousand million marks in subsidies between 1971 and 1975. Today, a family paying 100 marks for food in Berlin, Leipzig or Dresden actually gets goods to the value of 125.00 marks. A mother buying a pair of shoes for a child pays an average 33 marks less than the shoes are worth. There is a government subsidy of 1.37 marks on a 1 mark ticket on a public conveyance. At the same time, net income has increased by an average 5 per cent. each year—an increase of 1 per cent. per year above what was expected under the Five-Year Plan. These are results of which

people in the GDR can be proud. They are clear evidence of the close inter-relationships between economic and social policy, fully in accord with the main aim in home policy formulated in the Five-Year Plan, that is to satisfy the growing needs of the population through increasing the efficiency of nationally owned industry.

The 15th plenary session of the SED was also able to report that the GDR will implement the plan begun in 1971 and exceed this in some fields. The national income, which was 108 thousand million marks in 1970, will probably be in the region of 140 thousand million marks at the end of this year, which places the GDR seventh among the European countries in this respect. In terms of gross industrial production, the GDR ranks tenth

in the world; per capita production is about four times higher than the world average.

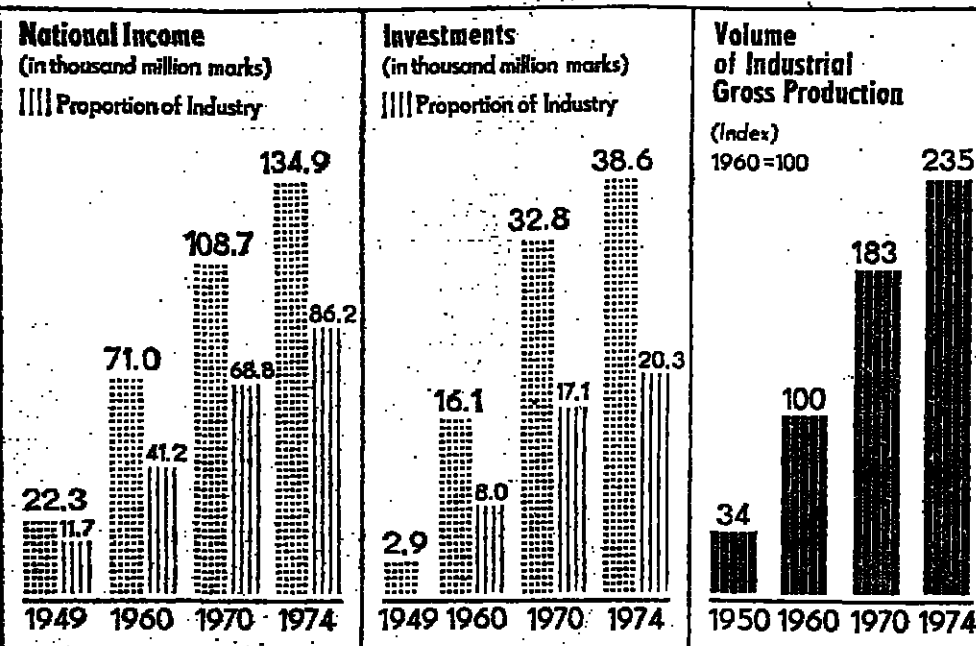
On these healthy foundations the GDR is successfully carrying out the programme decided upon in 1971, the broadest socio-political programme since its foundation. It has resulted in better housing for every tenth citizen, for example. Since 1971 the Government has spent about 19.3 thousand million marks on a generous housing programme which is regarded as the nucleus of the socio-political programme. The housing problem—one of the worst consequences of war and capitalist mismanagement—is to be completely solved by 1980, when about half the housing will be new. Freed from speculation in land values and rents, the workers are the main beneficiaries of this project. They get about 60 per cent. of the new accommodation, the rents for which represent only about one-third of actual costs, two-thirds being borne by the state. In general, not more than four to seven per cent. of the family income goes in rent in the GDR,

and this has also been stable for many years.

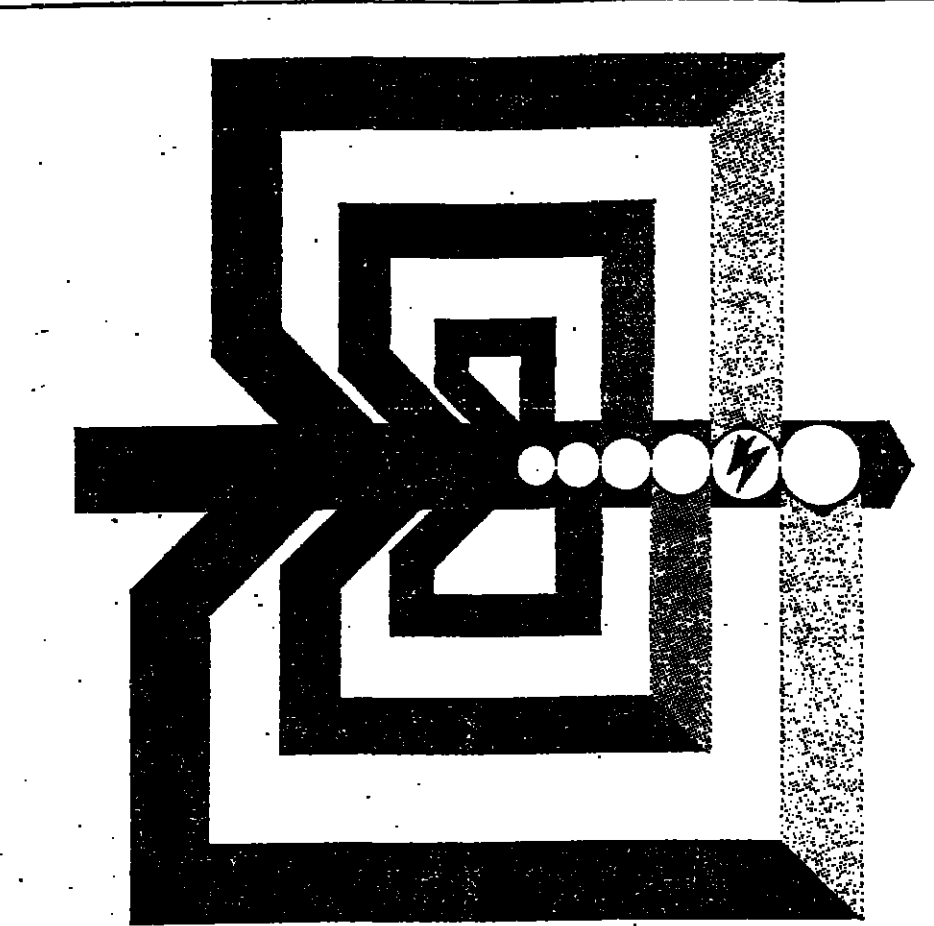
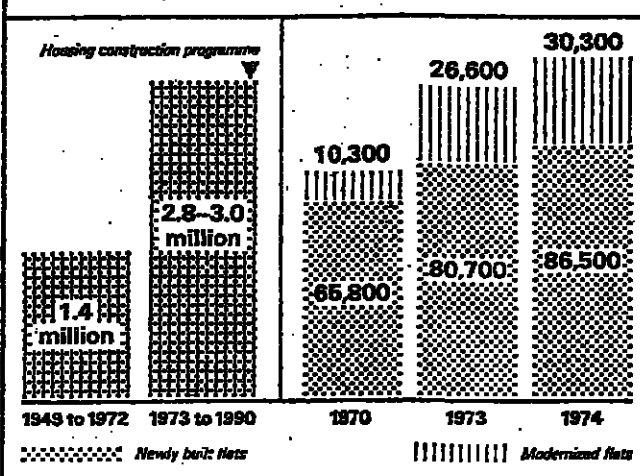
The results of this socio-political programme can also be clearly seen in wage increases for 2.2 million workers and longer holidays for 1.5 million. Old-age pensions have increased by 26 per cent. since 1970. Young married couples, working mothers and large families receive generous assistance.

The aims set forth in the Five-Year Plan for the step-by-step introduction of universal ten-year polytechnical secondary education have been achieved. Nine per cent. of all school-leavers learn a trade, and the universities are open to all talented young people. All these things are not, of course, a "gift" to the people by the government. They are the result of hard work, and many things are still not available in adequate quantities. But—and this is regarded as an essential characteristic of socialism in the GDR—the work benefits both the individual and society as a whole. Social security is not an empty phrase; no one need fear for the future.

Development of the Industrial Basis of the GDR



Housing construction in the GDR



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- Electric ceramics
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CMEA: Co-ordination of Plans up to 1980

To-day whenever there is talk of trade and economic relations between Bulgaria, Czechoslovakia, the GDR, Hungary, Rumania, the Mongolian People's Republic, Romania and the USSR, the Council for Mutual Economic Aid (CMEA, Comecon), to which these nine countries of Europe, Asia and Latin America belong, must also be mentioned. The first international socialist economic organisation, founded in 1949, has proved to be a stable and dynamic economic region.

In the Council's first 25 years of steady economic growth, the industrial production of its member states has increased more than 12-fold, their national incomes eight-fold. This dynamic

economic development has contributed to a shifting of proportions in the world economic situation. While the CMEA countries had a share of just 18 per cent. of world industrial production in 1950, its share is now 34 per cent., with a share in territory of 18.5 per cent. and in world population of 9.5 per cent. These figures highlight the economic development in all what the UN stated in its Statistical Yearbook 1968: "The tempo of development of the productive forces in the socialist countries is quite clearly higher and, from a long-term point of view, it is also stable. This is without doubt connected with the social character of socialism."

That is in fact the decisive

reason. The ever-increasing co-operation within CMEA aims at rapid development of the national economy of each country and of the community as a whole; it combines national and international interests in raising the material and cultural standards of the people in a step-by-step levelling-up of economic development in all its member countries. While in 1960, for example, the difference in income per head of the population between the most highly developed and the least developed CMEA country was 480 per cent., it was only 250 per cent. ten years later (and the total national incomes of the CMEA countries increased 5.7-fold over the same

period). This was achieved primarily through mutual assistance among the member countries—especially on the part of the Soviet Union—and through an international division of labour.

The GDR's successful development among the ten leading industrial nations of the world is also closely linked with co-operation within CMEA. For example, no large investment project in the GDR has got under way without economic co-operation with the other CMEA countries. Or to take another example: the GDR can always rely on the considerable potential of the entire socialist economic region in making sure of its supplies of raw materials and energy. If the governments of the CMEA countries were in a position to state in summer 1975 in Budapest that a steady supply of raw materials and fuel was assured for the period from 1976 to 1980, then this—in view of the international situation in this field—can be regarded as basic evidence of the potential of CMEA.

The key to its effectiveness lies in long-term planning of co-operation. A new phase in integration is now being introduced with the co-ordination of national economic plans for the coming five years. Binding contracts entered into voluntarily and deliberately, lay down who is to produce what for whom, that is, how international divisions of labour can be organised more rationally through specialisation and co-operation.

In this new phase it is a question of utilising the great potential of science and technology more quickly and with co-operation, and of determining how best the material and financial strength of the member countries can be combined for the purpose of setting up large projects useful for all. For example, agreement has been reached on building a number of efficient production centres on the most suitable sites—for cellulose, asbestos, mineral oil, ferro-alloys, nickel and other important products. In the coming years the total expenditure on such joint projects will be in the region of 9,000m. transferable roubles. Increasing advantage will be taken of socialist economic integration for the purpose of an all-round strengthening of the CMEA countries.

At the same time the scope of international co-operation outside the framework of CMEA is widening. As a result of their stable economic growth, the CMEA countries can also offer attractive prospects for bilateral trade and for advantageous long-term contracts with capitalist countries.

WMW — Symbol of Quality and Efficiency

Machine tool engineering and toolmaking are among the leading industries of the GDR. The GDR ranks 8th in terms of machine tool production and 4th in terms of machine tool exports in the world. Sixty nationally-owned factories amalgamated into five combines employ more than 70,000 workers, engineers and scientists.

The world-famous WMW quality production has been expanded by decades of experience, high qualification and creative initiatives of WMW people as well as close contacts with its customers. Results achieved from cooperation within the Council for Mutual Economic Aid have also been very profitable to the industry. The machine tool industries of the socialist countries united in the CMEA are becoming more and more integrated. The result is the rationalization of the development and production potential which proves beneficial also to our trade partners throughout the world.

The WMW products including quite a number of numerically controlled machines are in line with the international trend in machine tool engineering. This was also found to be the case with comparisons on an international level. During the last 12 years WMW products have been awarded 104 medals and diplomas at fairs and exhibitions which testify to the high quality of these products.

At present more than 50 types of numerically controlled production equipment are being built in the GDR. The machine tools are designed so as to permit foreign control systems to be fitted. About 50 per cent. of the NC machines produced are being exported with the percentage of special-purpose machines tailored to the customers' increasing requirements. During the past 20 years more than 200,000 machine tools have been exported by the GDR.

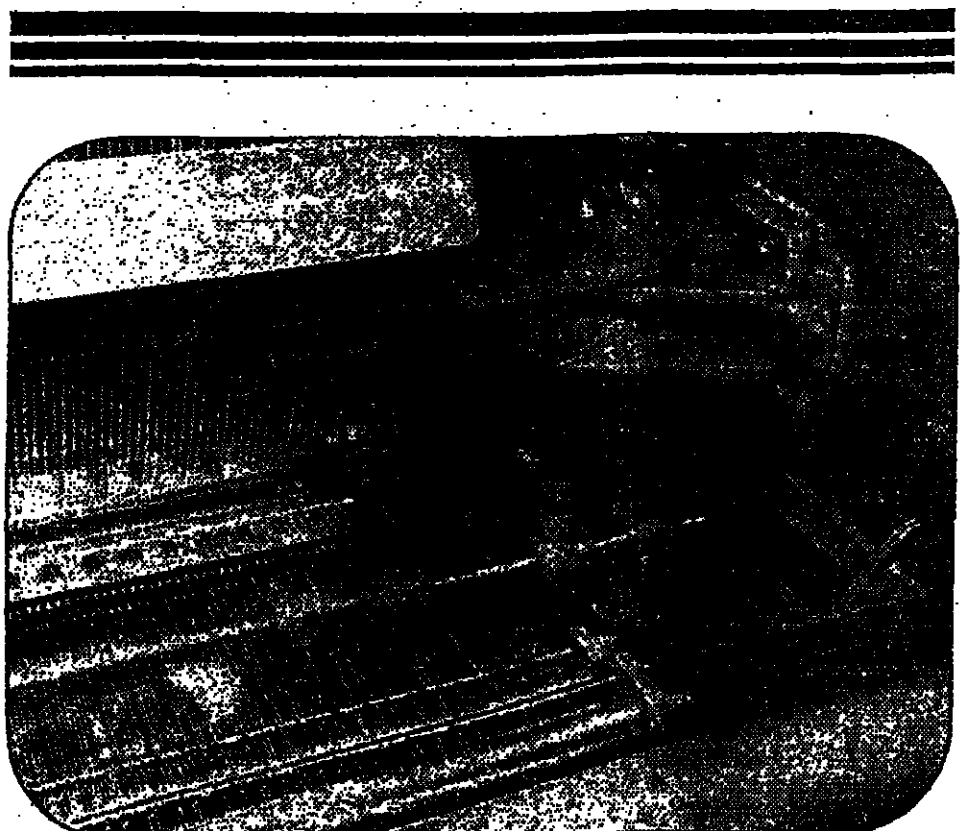
The customers abroad benefit from the fact that all questions of supply are dealt with by one agency only: the nationally-owned trading organization WMW-Export-Import, backed by technical and commercial offices established by WMW in more than 30 countries including Great Britain. A well organized, dense network of agencies as well as a large service staff are at the customers' disposal. The British metalworking industry has been buying GDR

machine tools for years. Regular customers of WMW include companies such as GKN, Sykes, Matrix, Wickman, Ford Dagenham, British Steel Corporation and Modern Wheel Drive. A significant number of lathes, boring mills imported by Great internal and external grinders, Britain comes from the surface grinders, gear cutting VEB Werkzeugmaschinenkombinat machines, shears, presses and binat "Fritz Heckert" Karl-profile rolling machines etc. is Marx-Stadt.

exported to Great Britain. More than 10,000 GDR machine tools have been exported to Great Britain in the last 20 years. 2,500 of them boring mills and drilling machines — one of every four

Again this year, the nationally-owned trading organization WMW-Export-Import will show top products of science and technology at international fairs and exhibitions in 20 countries. Prospects are bright for the further development and organization of the trade relations with Great Britain for the mutual benefit of both countries.

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The Executive's World: The Office

EDITED BY JAMES ENSOR

Congress computer voting

BY NANCY DUNNE in Washington

ONE OF the most accepted— and regretted— customs on tradition-bound Capitol Hill is its snail-like pace. It was 1966 when the concept of using computers to aid in the legislative process was first introduced in a House of Representatives Bill. Almost a decade later, Congressmen have finally begun to exploit an electronic technology which most large corporations instituted years ago.

"Congress is in its infancy with the use of computers," says Mr. Neal Gregory, Executive Director of the Computer Subcommittee. Although there are more than 7,000 computer systems in operation in the Executive Branch and only seven working for Congress, Mr. Gregory is enthusiastic about what computerisation has accomplished on "the Hill" thus far.

Novelty

Traditionalists considered it a not altogether pleasing novelty when electronic vote counters were first introduced in the House in 1973. They liked to watch as each member cast his vote, to politic and perhaps to change a few minds before the roll call ended. Now members move, en masse, to nearby terminals, insert cards and their votes are tallied. A computer printout, revealing how each congressman voted, is available about 20 minutes after the roll call is completed. (The Senate, with just 100 members compared with 435 in the House, still votes by voice.)

The time-saving brought by the vote counters is considerable, says Mr. Gregory, who contends that 15-20 minutes are now saved on each roll call vote. In July, when there were 126 roll calls, computerisation could have saved each member as much as 42 hours.

Electronic assistance with office chores and the administration of Congress itself has been especially welcomed by Hill staffs crowded into insufficient office space. Computers are now being used for filing, storage of constituent mailing lists and swift production of

correspondence. The Congressional Budget Office now has computerised personnel and payroll data, and a new financial management system is near completion. The Joint Committee on Internal Revenue Taxation has contracted for a private commercial econometric system to aid its projections.

"Having the right information at the right time is critical in the decision-making process," says Rep. Charles G. Rose, who has been leading the charge towards computerisation. Rep. Rose, chairman of the Ad Hoc Subcommittee on Computers of the House Administration Committee, is searching for a system that would assist each Hill member daily. The comprehensive service he plans would allow a member to search for information in the morning on legislation due for a vote in the afternoon. The member could read a summary of the pro and con arguments, refer to the legislative history of the Bill and possibly get a projected vote count. The Congressmen could also refer to other databases for determining the effect of a particular Bill on his constituency.

One of the most popular steps in the establishment of wide-ranging computer services has been the opening of a Bill Status Office which provides a centralised service for disseminating status information on all legislation. In the last Congress over 26,000 bills were introduced—of which about 6,000 were passed. Because the legislative process now includes over 170 possible steps on the way to a bill's passage, the job of tracking so much legislation in so many directions is immense.

At the Bill Status Office, legislative information is gathered daily from official sources and fed into a computer. Requests for information—which have been running at more than 1,000 a day—are made by phone to operators who use video display terminals, interrogate the computer system and relay the answer. The system can answer questions about a bill's number, sponsors, referral committee, status and subject matter.

Two moves by Capitol Hill administrators are now spurring the use of computers. Senate managers have promised computer terminals at \$262 to any senator who wants one; to date, 73 have signed up. The House Administration Committee has voted to give members the option of spending up to \$1,000 from their \$20,000 monthly clerk-hire allowances for computer services. For under \$300 a House member can lease a terminal, an acoustical coupler and a printer.

With these terminals, congressional offices will hook in with the five data bases provided free by the Library of Congress. These include:

- The Legislative Information File with background data on all bills.
- The Bibliographical File, a collection of references to specific periodical citations.
- The Major Issues File with over 180 concise and objective briefs on key issues of public policy.
- The National Referral Centre Resources files listing more than 10,000 descriptions of organisations which provide information on scientific, technological and social science topics.
- The Selected Science and Technology Reference file, a bibliographic file of approximately 90,000 references in the fields of science, technology, library science and bibliography.

Hill offices

Besides the Library's databases, Hill offices have available dozens of commercial systems on a variety of subjects at charges ranging from \$20 to \$120 an hour. In general, the offices are billed only for the time connected.

Other computer services are available off-line. The Congressional Record is indexed each day by a private firm, delivered to its customers each morning for \$1 a day.

The momentum towards modernisation is gaining. Of course, computerisation will not solve the nation's problems but it will assist legislators in making knowledgeable choices on the complex issues they face.

Dr. Matthew Gleason, professor of plastic surgery at the University of California, popped a slide on the screen and read from his Bible: "And the Lord God caused a deep sleep to fall upon Adam, and he slept, and He took one of his ribs, and closed up the flesh thereof." The doctor's audience, predominantly female, but with a generous sprinkling of males, gazed respectfully at the picture of Adam and Eve. "And the rib, which the Lord God had taken from man, made He a woman..."

And that, the doctor explained, was the start of plastic surgery. The ladies uttered the men smiled. Dr. Gleason regularly includes a lecture on what is known in the trade as "body image surgery" these days in his courses on health education. The interest is high, waiting lists are long, and more and more men are seeking nose jobs and face-lifts.

Many of them are top-flight business executives. "They realise," says California plastic surgeon Dr. John E. Williams, "that it is important to their image as corporate managers to look their best. When stockholders begin to ask you when you're retiring, and you're still in your early fifties, it's time to worry."

Dr. Williams has performed on the leaders of several top corporations. He finds that the operation most in demand is the eye-lift. "Gotta rid of that exhausted, dissipated look," he says. The procedure is simple: in little more than an hour, excess skin is cut away from the upper eyelid and the bags beneath. The stitches come out five days later. The bill is around \$1,500.

Another Los Angeles surgeon says his male clientele has doubled in two years, to more than 25 per cent. of the total. Men in advertising and public relations are the biggest customers, for obvious reasons. But management types are only slightly less common. "They're the guys that want a whole new face," says Dr. William Berman, of Los Angeles. "It helps them ace the other guy in looking for a job." Dr. Berman believes recession has been good for "reconstruction surgery."

Maurice Irvine reports on the latest Los Angeles fad

Who did your eyelids?



"Well Mr. Gribble, your references aren't much good, but we like your nose."

Indeed, it is reported that in the PR parlous of Beverly Hills the proper opening gambit is not "How's the kids?" but "Who did your eyelids?" Next in order of popularity with males are the nose-job and the complete face-lift, which removes the "turkey wattle" under the chin. This operation will set the customer back \$2,000 to \$5,000.

Hair transplants are also in great demand among the executive set. This involves the removal of about 50 plugs of skin containing hair follicles from a part of scalp which still has hair for implantation in the bald area. Eventually they root and grow in the new spot. It's a costly procedure—about \$10 per plug—but speed: three hour-long sessions should result in a dashing new frontal shock of hair. Among the many celebrities to take the course are Frank Sinatra and Senator William Proxmire.

Less well-known, but rising fast, are "dermabrasion" and silicone therapy. The former involves stripping away the top layer of facial skin and allowing what's underneath to regenerate—a resurfacing job which makes a personal appearance among business colleagues inadvisable for about two weeks, and costs around \$1,500. The latter is described as "simple as a vaccination": silicone injections to fill out sunken cheeks, erase furrows in the forehead, or soften creases about the eyes and mouth come at about \$45 a session—but at least six sessions are required.

Most men who have had such treatment say that it has been a powerful therapeutic, as well as cosmetic, value: some claim that it quickly pays for itself. A television executive who lost his job and spent a year unemployed had a face-lift, then took a week in Palm Springs afterwards developing a tan. Back on the job market, and lying about his age, he landed a better post with a rival network.

Another Los Angeles man, a public relations expert for an aerospace firm, resigned because he was "getting nowhere," had a face-lift, and they have long holidays. They'd think nothing of spending \$2,000 on a European holiday, so why not on a new face?

He has operated on a clergyman who said he needed a youthful appearance in dealing with younger congregations. Despite the glowing testimonials, not every patient is satisfied with the results. "Too many people expect miracles," says a Los Angeles surgeon. "They think they'll emerge from the bandages a new person, with all their problems solved. When that doesn't happen, they may slide into worse depression than before." Thus

Women report similar benefits. Entertainer Phyllis Diller, a silicone and face-lift recipient, says: "It helped my career and gave my psyche a real boost."

Surgeons in Los Angeles, the mecca of those who seek beauty under the knife, report that they treat a great many school teachers. "They want to relate better to the young," says one specialist. "They're well paid and they have long holidays. They'd think nothing of spending \$2,000 on a European holiday, so why not on a new face?"

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No more pygmies

ONE OF man's most basic peculiarities is his eternal desire to be bigger. In advanced abnormalities. Throughout history, of showmanship, there is grotesque protrusion of the eyes—exophthalmic goitre, money-spinners. Such displays attract the fortunate who would be unlikely to listen to the most persuasive barker trying to urge them to pay to see a "beardless woman" or "the most normal man in the world."

Up until some 80 years ago, many a side-show would advertise something like "The accidental in 1942 when a U.S. only cannibal pygmy from the scientist noted that guinea-pigs, Congo jungles in captivity," if fed exclusively on cabbage or and morbid souls would pay to gape at a pitiful deformed dwarf with a moon-face and protruding tongue, coarse skin

and scanty hair, screeching in harsh and squaky gibberish. They are not seen to-day, thanks to medical science which, in 1891, found that these unhappy cretins were suffering from congenital thyroid deficiency and that, if given extract of the gland, could be made into normal humans.

The thyroid gland, an H-shaped organ situated in the lower part of the neck, could be regarded as the general manager of metabolism, our old friend the pituitary still holding overall power of government. Thus, the supply of the active principle of the thyroid—thyroxine—is determined by the pituitary. This hormone controls metabolism: has an important role in the physical and mental development of the child; helps in maintaining the health of the skin and hair; and stores iodine.

If, in adult life, the gland fails to produce sufficient thyroxine, then the condition known as myxoedema ensues. The patient becomes slow, physically and mentally; there is increase in weight and the skin becomes thickened and dry. The hair is coarse and scanty; the pulse slow and, despite a somewhat florid face, the patient feels the cold. Treatment with thyroid extract restores the sad picture.

If the gland is hyperactive, however, the opposite picture is seen. The patient, whose thyroid is usually enlarged, is over-

active, irritable, always hungry yet thin, has a rapid pulse and sweats profusely. In advanced cases the heart may suffer and, in some unfortunate people, there is grotesque protrusion of the eyes—exophthalmic goitre.

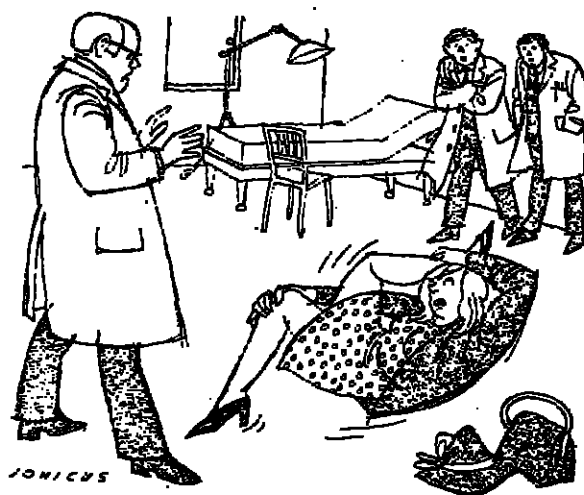
This condition can be helped by the surgical removal of fatty pads behind the eyes as long as the general disorder is corrected. There are two main methods employed for the latter. Certain anti-thyroid drugs can be used. One of these, many a side-show would advertise something like "The accidental in 1942 when a U.S. only cannibal pygmy from the scientist noted that guinea-pigs, Congo jungles in captivity," if fed exclusively on cabbage or and morbid souls would pay to gape at a pitiful deformed dwarf with a moon-face and protruding tongue, coarse skin

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"...hooked her right foot round the back of her neck..."

Surgical removal of parts of the gland is also successful, and that reminds me of a curious incident when I was a student. The patient was a small woman hyperthyroid although the gland was not much enlarged. The surgeon said she should go to the physician. "Been to them?" she snapped. "Want to give me pills which might work in months or years. No good to me! I want you to lop a bit off!"

The surgeon winced at the terminology. "But my dear lady," he said. "It is very little enlarged and doesn't mar your beauty..."

"You can cut that soap out!" she retorted. "The point is, it interferes with my work." We all gazed in amazement which steadily increased as she gave a remarkable demonstration to answer the surgeon's query as to how her work could suffer. "I'm a contortionist," she said. "Just watch this!"—and she lay on the ground, hooked her right foot round the back of her neck and then attempted to get the left foot round the outside. But, as the first foot pushed her thyroid over, this blocked the other from its target.

Quite convinced, the good surgeon operated. When she returned to the Big Top, she sent him a free ticket—but he never used it.

Dr. David Carrick

Dr. David Carrick

Dr. David Carrick

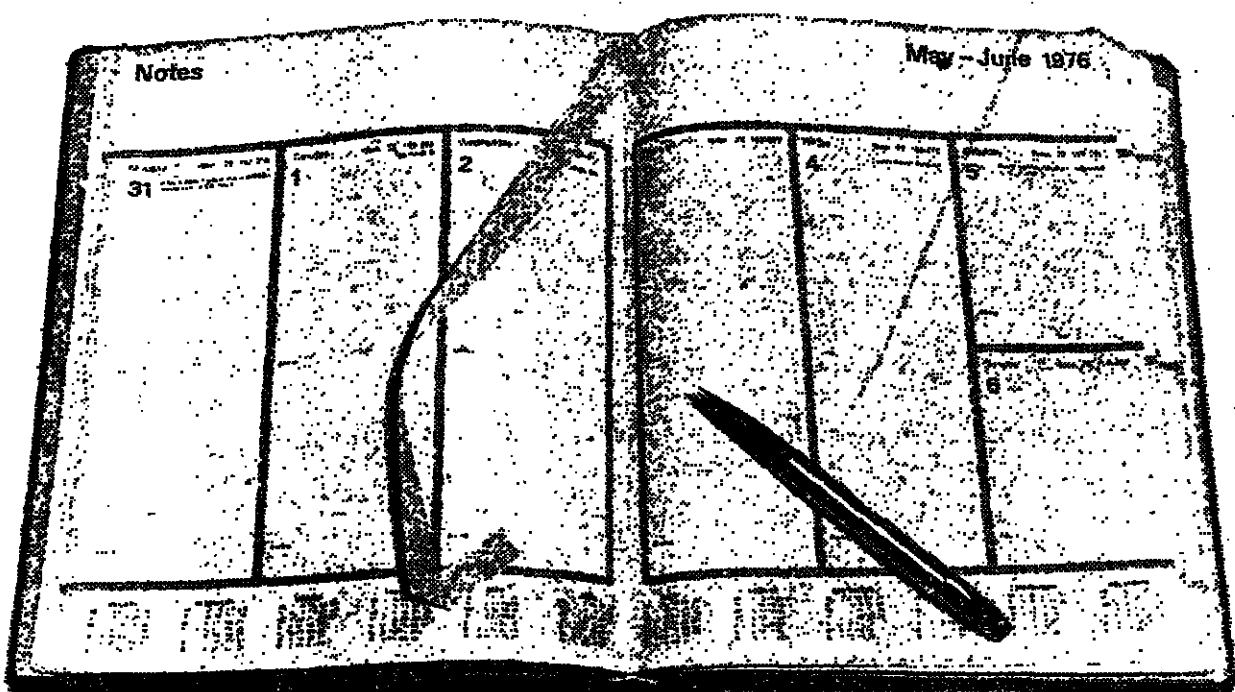
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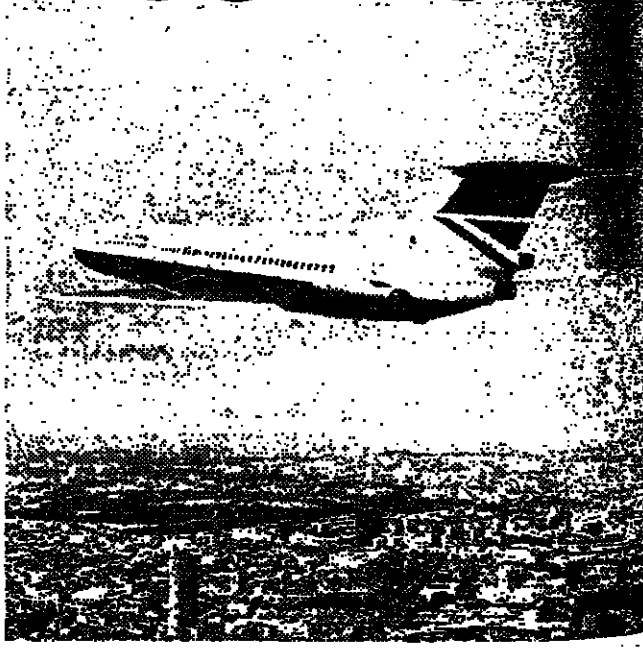
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Medium term economic forecasting in conditions of uncertainty

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The role of forecasting is not always clear. Is it to predict what will happen or to stimulate what might happen given certain assumptions? Is it to define the choices to be made or to help us choose between alternative courses of action? The answers to these questions depend both on the degree of uncertainty and on how far we desire to change existing trends.

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SECOND SESSION: A Government view
Government use of medium term forecasting. Philosophy of forecasting for the guidance of policy; the current attitudes to forecasting as an aid to strategy; exogenous assumption now being used; future intentions on method, use and accessibility to others.

THIRD SESSION: Industrial views
Importance, uses and assumptions of forecasting. What does industry expect of forecasts? What does it require of them? How important is agreement on results? How important is agreement on assumption? How can Government, NEDO and others help?

a) From the point of view of an industrial forecaster.
b) From the point of view of industrial users of forecasts.
FOURTH SESSION: Summary and panel discussion
The Summary will be a central feature, given by the chairman of this last session. He will bring together economic, official and industrial views and suggest a synthesis.

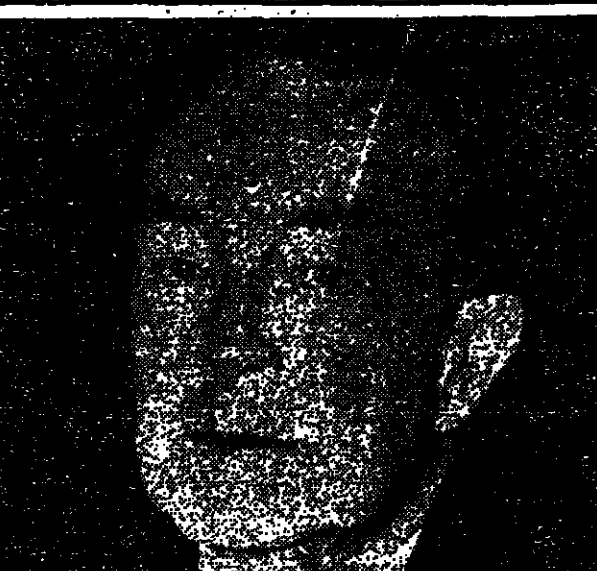
The Panel will discuss the chairman's statement and contributions from the floor.

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Lord Shawcross

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OVERSEAS NEWS

Venezuela drops its backing for Guatemala

By Hugh O'Shaughnessy

CARACAS, Nov. 9. SENOR Carlos Andres Perez, the Venezuelan president, withdrew support for Guatemala's claim to Belize, in a dramatic move last night which will greatly strengthen the territory's diplomatic position in Latin America and its claim to self-determination.

Speaking at a Press conference for visiting journalists, the leader of the American richest country said that for historical reasons Venezuela had always supported Guatemala's claim to sovereignty over Belize and was opposed to the continuance of colonial situations in the western hemisphere.

Nevertheless, Venezuela was now changing its position, he said. President Perez explained that one could not overlook the fact that the customs, language and way of life of Belize were different from those of Guatemala, though he went on to blame "sordid colonialism" for having promoted a situation under which the inhabitants of the colony had been taught to live "with their backs turned to their neighbours."

As a result, he announced, Venezuela had decided that the Belize situation could best be solved by the UN.

Guyana, too

Our Georgetown correspondent adds that the Guyana Government has pledged its support to the people of Belize in their struggle for self-determination. Prime Minister Forbes Burnham has issued a statement describing the Guatemalan military moves against Belize as a threat, not only against the Belizean people, but "calculated to erode the solidarity of the region at a time when all of its efforts should be directed to the task of social and economic reconstruction."

From Belize, Reuter reports that week-end shoppers on both sides of the Belize-Guatemalan border crossed the frontier as normal, and there was little sign of the tension that prompted Britain to fly in troop reinforcements.

Unity teams set up in Vietnam

HONG KONG, Nov. 8. NORTH AND South Vietnam have set up delegations to negotiate the reunification of the two countries. Hanoi Radio announced today.

In a broadcast monitored here, the radio said the two sides would discuss general elections throughout Vietnam, either side of the 17th parallel, the dividing line laid down in the 1954 Geneva peace talks.

The two delegations would also discuss the setting up of a National Assembly as well as "common state organs" for a reunified Vietnam.

Hanoi Radio said the South decided to appoint a delegation at a conference held on November 6 and 7 by various bodies, including the National Liberation Front (NLF), and the Provisional Revolutionary Government (PRG).

The radio said the meeting in Hanoi which decided to set up a negotiating team heard a report from North Vietnamese Prime Minister Pham Van Dong on policy for reunification.

It said the report dealt with creating conditions "for rapidly completing the reunification of the fatherland and advancing the entire country towards socialism in accordance with our compatriots' earnest aspirations."

Observers in the South Vietnamese capital, Saigon, expected the reunification to be announced next year.

More ships in Israel via Suez Canal

ASHDOD, Nov. 9. TWO more ships arrived in Israeli ports today after passing through the Suez Canal under the terms of the September Israel-Egypt interim peace agreement.

They are the 8,000-ton Liberian Sea Bird and the 6,089-ton British refrigerated vessel Ven Dee, both of which made the northward passage to Ashdod in ballast.

The Sea Bird is to load metal pipes before sailing back through the canal to Iran. Only one vessel has so far made the trip with cargo for Israel—the Greek freighter Olympus.

Reuter

FLOOR PRICE FOR BAUXITE SUGGESTED

By Canute James

THE Ministerial Council of the International Bauxite Association has recommended to its 11 members that they implement a minimum pricing policy to cover all bauxite exported next year.

The recommendation came at the end of a five-day meeting at the association's headquarters here at which the question was the main item.

No figures were released by the IBA, but a communiqué issued yesterday morning indicated that the prices would be determined by the standard and the grade of ore produced by members' countries.

The fact that a price issue got through the conference as a recommendation, rather than as a resolution, does not make it binding on all countries.

FOREIGN INVESTMENT AFTER THE HERREMA AFFAIR

Eire's Achilles heel

BY GILES MERRITT, DUBLIN CORRESPONDENT

BY accident, or design, Dr. Herrema's kidnappers found the Irish Government's Achilles heel.

—foreign investment. An area so sensitive that they seriously miscalculated the authorities' reaction. Foreign-owned industry has in recent years become so crucial to the Irish economy that its continued growth might have been jeopardised by a soft approach to the Herrema case.

To give in to the kidnap gang's demands that three convicted IRA terrorists be released in exchange for Dr. Herrema would, of course, have been politically unacceptable to the Dublin Government. But just as important, to give in to the kidnappers of one foreign industrialist would have placed countless others at risk of being similarly abducted.

Ireland is all too well aware that the kidnapping was a decided setback to its hopes of future investment from abroad. Deputy Premier Brendan Corish himself described it as a "severe blow to the Government's policy of encouraging international companies to establish plants in the republic."

At present, there are as many as 500 different projects under negotiation by the Industrial Development Authority. In the normal course of events, a fairly high proportion of these would never reach fruition, but it remains to be seen whether the Herrema affair has prejudiced even those deals that were confidently expected to go through.

Spin-off

These are indicators that the Cabinet will be watching carefully, and with unemployment at 12 per cent and still rising, perhaps fearfully. The Irish economic miracle of the 1960s revolved around foreign investment, and future growth will depend on it almost as much. In the past 15 years, two-thirds of new manufacturing industry set up in the Republic has been attracted from abroad by tax concessions

and development grants. That third which is indigenously Irish is much of it a direct spin-off.

Tax relief amounting to a 15-year holiday on goods exported has been largely responsible for a remarkable rise in foreign exchange earnings. Last year manufactured goods accounted for over half of exports and were worth £88m., as against only £71m. ten years before.

The other carrots include cash grants covering up to 50 per cent of capital investment costs and the availability of developed sites and equipped factories either for sale or for rent. In the boom years of the last decade, the result was a steady annual increase in GNP of 4 per cent, with industrial expansion running at 8 per cent.

This summer the IDA revealed that since 1960 almost 600 foreign industrial projects had been initiated.

But in Ireland, as elsewhere, the recession has bitten deeper and is lasting longer than was hoped. IDA has been forced to revise sharply downwards its hopes for 1975 and it is also clear that it will have to wait yet awhile for existing foreign investors to expand their operations.

A notable case in point is Dr. Herrema's company, Ferrenka. There even are fears that instead of pushing ahead with its original aim of doubling both workforce and production by 1979, the Dutch company could choose to close its £20m. Limerick factory. The company repeatedly stated during the abduction saga that the plant's future will be decided on strictly economic grounds. If the decision does turn out to be a "thumbs down" dictated by falling world demand for tyres, Ferrenka makes the steel cord used as carcass material, the effect on Ireland's investment drive might be just as unfortunate as a "no confidence" statement.

When Ferrenka's plant opened in 1972 it was hailed as "the largest single project yet to have been won for Ireland." Ferrenka declared that its aim was to expand the new factory into a £40m. complex within eight years and to boost the payroll to 3,000 employees. In line with these ambitions, the IDA earmarked £12.8m. in grants for the scheme, although to date the Dutch company has used only £8.5m. of that.

Hard times

This year Ferrenka has hit hard times. Losses so far during 1975 have totalled £3m. The workforce has been reduced by 300 to 1,200 and there have been labour disruptions. On top of that, the three-week closure imposed by Dr. Herrema's captors and observed by the company until it decided to defy them and re-open last week-end, set Ferrenka back almost £500,000. Any further lost orders, it was said, would do "irreparable" harm.

Whether Ferrenka stays or goes, expands or contracts, the Government's tough handling of the kidnapping will probably be seen by most potential investors as having made the best of a bad job. In Holland, though, public opinion has reacted badly and could have a decisive effect on future Dutch investment here.

The doubts and suspense of not knowing whether Dr. Herrema was alive at the start of the long kidnapping mystery, his captors' threat to amputate a foot and finally the tense siege at Monasteravin, Co. Kildare, has all brought the affair massive publicity.

The IRA has found it extremely unwelcome, for it has seriously damaged its support. It has stressed that the kidnappers had no connection with the Provos and were even being sought by its own active service unit. But the Republican movement had never made any secret of its opposition to the IDA's attracting of what it calls "speculative capital" to Ireland.

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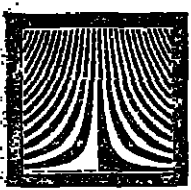
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

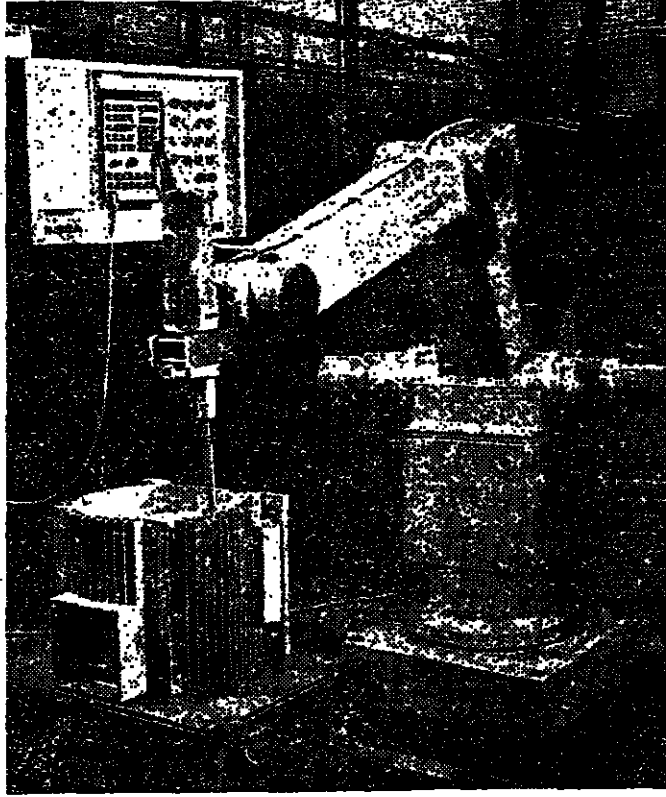
AUTOMATION

Robots to do work nobody wants

ROBOTS have, rightly or that it! Accuracy is all that could possibly be needed since 0.2mm movement for the machine tool approach is the best in that it, despite a late start. In many cases, the robots are in the equipment department, electronics division has already succeeded in building equipment with characteristics that make it easier to use than the handful of competitors' products.

Outstanding among these characteristics are simplicity, ruggedness and ease with which the robots can be taught what it is they are expected to do. Additionally, the electronic controller is compact—so compact that it can be put at the end of a long cable with the robot itself. This is a significant advantage that the robot can be placed in environments with an ambient temperature of 70deg.C., or higher still, provided that the lubricant in the robot's wrist and fingers can stand up to it.

Programming the unit to do a job is touchingly like taking a small child through the motions of a job. The programmer takes the control board to the operating robot and moves the robot's arm to each position in a sequence, pressing the appropriate keys as needed. There is very little more than



ASEA's smaller robot set up to deburr automatically a complex casting for a motor casing.

gramme and without fatigue, two objects in the immediate surroundings. The controller takes feedback from the controlled objects.

The same unit is now being used by ASEA as the pivot of its advanced machine tool controllers. It is so compact that it can be mounted in the shield of a miller or lathe, needing no separate cabinet for the electronics.

ASEA is at Villiers House, 41, Strand, London, W.C.2 (01-930 5411).

improves the porting and can be used at higher motor speeds, as well as reducing the motor size and weight.

Called the B Series, there are two basic types in the range. The BMX remains in minimum displacement for high speed, but moves automatically under high torque demands to maximum displacement (piston stroke). The BMV has three variable displacement options of 50, 75 and 100 cc per revolution, and a control port to change the displacement position.

Working pressure is from 0.6,000 psi and the speed range is up to 4,600 rpm.

POWER Hydraulic motors

A RANGE of small, light hydraulic motors has been introduced from Germany by Linde Hydraulics, Arnhem Road, Netherbury, Berks.

Of the bent axis type, in which the angle of the cylinder barrel relative to the drive changes to produce variations in piston stroke (and therefore torque), this series has a sliding block guide to change the angle. This

TEXTILES

Handling a difficult fabric

IN RECENT years there has been a tendency in the weaving trade to turn to looms that operate from continuous supplies of weft yarn rather than use the classical flying shuttle. Such looms are being built in a variety of forms such as the flexible and rigid rapier types, gripper shuttles, air and water jets, and more recently, the multiple carriers that travel across the loom in a wavelike motion.

There is a single rapier which crosses the entire machine to deliver its weft thread and there is a somewhat more sophisticated carrier type where two rapiers meet, or "kiss", in the middle of the loom and transfer the weft

yarn from one to the other. This means that speeds are increased as the time taken for a single rapier to withdraw is effectively unproductive, or "dead" time.

With most new type looms a fringe is produced along the selvage and this, particularly for, say, suitings, is considered a definite disadvantage. Now a completely new approach to the rapier loom has been developed in Sweden by Alitex Vavmaskiner A.B. (sold through IRA A.G., Bahnhofplatz 9, CH-8001 Zurich, Switzerland).

Basically the Alitex machine is two looms built as a single unit side-by-side. In the centre is a control and drive section and weft is carried across the cloth by means of a rigid rapier. The rapier is double sided so that as it is withdrawn from one fabric it is travelling across the other.

It differs from other rapier looms in that the cloth produced on the Alitex have real selvages. Normally looms are built to weave fabrics up to 1800 mm. wide, but special machines can be supplied in weaving widths up to 5500 mm. The robust design of the machine enables it to be used for the production of very heavy cloths such as glass fabrics with a continuous weft supply of glass roving and with a double pick in the shed when a special needle is used for retaining the double pick at the side of the fabric.

Channel Electronics (Sussex), by their Aquatrac moisture detector which is about the size and shape of a flashlight. The meter has a small and cap which is removed to reveal a pair of probes that are placed in firm contact with the material being tested.

Extent of the dampness is indicated by the frequency of flashes displayed on a recessed neon lamp located just below the probes. Comparison of the rate shown by a suspect area with that of a dry one could, for example, indicate the extent of rising dampness or pinpoint the position of a dirty wall tie or cavity obstruction, which could be causing damp patches.

The instrument uses a PPS (9V) or equivalent battery and its overall dimensions are 140 x 38 x 32 mm, weight 106 gms. More from the company at Great Hill Industrial Estate, Seaford, Sussex BN25 3JE (0323 894981).

Indicates water

DISCOVERY OF water in a surface that was previously thought to be dry—particularly in the case of a concrete—can be an expensive mistake.

It can be avoided, claims

with the work.

Each of the systems contains an Alpha LSI-2 microcomputer, a 16k or 32k word core memory, dual floppy disc and comprehensive operating system. Prices start at \$8,500. More from the company at Denham Way, Maple Cross, Rickmansworth, Herts. (0937 71211).

WORK involved in preparing applications programs can be cut down and data evaluation can be developed products quicker using floppy disc "software machines" introduced by Computer Automation.

They can reduce costly, tedious and time-consuming tasks usually associated with preparing, debugging and executing programs and help to maintain records of all files and make up-dating programs easier.

Batch processing machines, they take command inputs from a keyboard or from job files containing job control language statements. The operator can load the disc with a string of jobs, start up the system and let it get on with the work—there is no need to sit at the machine

and interact with it to get ahead for earlier models.

Main differences from earlier machines are that the drum is placed horizontally allowing easier mounting in standard dual floppy disc and comprehensive operating system. Prices start at \$8,500. More from the company at Denham Way, Maple Cross, Rickmansworth, Herts. (0937 71211).

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SOFTWARE

Adabas for timetable production

BRITISH Railways Board has acquired the data base management system ADABAS for timetable production system project and will be available for other systems at the centre.

A technical evaluation of a number of packages has been carried out over the last 18 months and ADABAS was chosen because of its manpower saving potential in the system design and programming stages of projects. BR already had IBM's DBS in house.

The supplier is also committed by the contract to provide a version of the system that will operate on the larger ICL 2900 computers which confirms that a decision has been taken by BR to acquire one of the big machines (a 2970), since modifications means a re-write.

The British Railways Board follows similar decisions by ICI and, more recently, Commercial Union Assurance Company, which chose the ADABAS data base management system after a lengthy evaluation of competitive systems.

Adabas is at 494 Burton Road, Derby, G52 4BQ.

PROCESSING

Closed cycle paper pulp mill

DEVELOPED BY ERCC Enviro-tech, a "salt recovery" process is to form an integral part of the operational system of a new Canadian paper pulp mill which has been designed to avoid water pollution.

The Great Lakes Paper Company's new mill at Thunder Bay, Ontario, is claimed to be the world's first closed-cycle bleached kraft mill. Each department has been designed following a study by ERCC Enviro-tech—for satisfactory water re-use, and integration with the salt recovery process.

The process recycles the environmentally undesirable sodium sulphate and discharges only clean water without any primary or secondary treatments, the company claims.

Additional benefits will include substantial reduction of the mill's water and energy consumption, while pulp yield, strength and brightness stability will be improved. The capital and operating costs of the non-water-polluting mill, including the salt recovery process, will be considerably lower than those of a conventional mill, processes which do not eliminate biological oxygen demand, carbon oxygen demand, colour and toxicity, says the company.

The process will evaporate white liquor in two stages. First, impregnated pulping chemicals are crystallised and returned to the mill's recovery system. Secondly, sodium chloride is removed from the chloride and purified by bleaching and filtration for future use.

ERCC Enviro-tech is a joint-venture company formed by ERCC Industries, Canadian subsidiary of Albright and Wilson, and the Enviro-tech Corporation of the U.S.

More information from Albright and Wilson, 1 Knightsbridge Green, London SW1X 7QD. (01-589 8282).

MATERIALS

Protection of materials from decay

CORROSION is an unwelcome part of life and methods of combating it are becoming more sophisticated as knowledge of its causes widens.

Latest addition to literature on the subject is the Corrosion Prevention Directory published by the Department of Industry. This gives details of corrosion advisory services, refers to standards of protection and lists suppliers of protective materials. It should be very useful to those responsible for the design and operation of industrial equipment, to research organisations and students of the subject.

Edited by Dr. P. J. Boden, Department of Metallurgy and Materials Science, University of Nottingham, it is obtainable from E.M. Stationery Office, price £2.50.

IMPORTANT NOTICE TO USERS OF GLYCERINE

New available on the British market for immediate delivery is "Glycerin" by Glycerin Ltd. It is a high quality, pure, white, almost all the properties of glycerine at around half the price. Especially suitable for the paper, synthetic resin, textile, cosmetic, rubber, toothpaste, tobacco, and many other industries. For sample and full technical data please write to:

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Tel: Nos. 261510 and 261120. Tel. Nos. 01-589 5618/19.

CONTRACTS AND TENDERS

THE REPUBLIC OF IRAQ

NATIONAL DEVELOPING PLAN PROJECT
MINISTRY OF MUNICIPALITIES
THE SEWERAGE BOARD
BAGHDAD MAIN DRAINAGE

TENDER FOR
CONSTRUCTION OF KERN TREATMENT WORKS
CIVIL ENGINEERING WORKS (CONTRACT 202)
ELECTRICAL & MECHANICAL ENGINEERING WORKS
SUB-CONTRACTS M31, M32, M33, M41, M42, M43 & M44

The Sewerage Board invites the interested tenders to participate in tendering for the above-mentioned contracts and sub-contracts. A general description of the works included in the Contracts and Sub-Contracts is given below.

1. CONTRACT NO. 202: Civil Engineering Works for the construction of a sewage treatment plant serving 600,000 people consisting of pumping stations, settling tanks, sludge digestion tanks, aeration tanks, clarification tanks, effluent pumping station, and a final disposal tank. The contract works include also supply and erection of certain machinery which are described below under Sub-Contract 202-M41-M44.

2. SUB-CONTRACT 202-M31-ELECTRICAL SUPPLY & DISTRIBUTION SYSTEM: Supply and erection of electrical equipment for the treatment plant including transformers, switchgear, M.V. and M.V. cable and electrical distribution on the site of the treatment works. Complete telephone system, internal electrical installations within buildings and site lighting.

3. SUB-CONTRACT 202-M32-PUMPING PLANT: Supply and erection of two pumping units in six pumping stations including automatic mechanical raised screens in some of the stations.

4. SUB-CONTRACT 202-M33-PRIMARY AND FINAL TANK SCRAPERS: Supply and erection of equipment for the treatment plant including primary and final tank scrapers.

5. SUB-CONTRACT 202-M41-MECHANICAL SLUDGE LIFTER: Supply and erection of a sludge lifter for the treatment plant.

6. SUB-CONTRACT 202-M42-SLUDGE DIGESTION PLANT: Supply and erection of a sludge digestion plant complete with heat exchangers, mixing pumps, stirrer and agitator, together with boilers and hot water circulating pumps.

7. SUB-CONTRACT 202-M43-CLARIFICATION PLANT: Supply and erection of a clarification plant complete with heat exchangers, mixing pumps, stirrer and agitator, together with boilers and hot water circulating pumps.

8. SUB-CONTRACT 202-M44-SURFACE AERATION PLANT: Supply and erection of a surface aeration plant complete with heat exchangers, mixing pumps, stirrer and agitator, together with boilers and hot water circulating pumps.

Full and more detailed details of the works are given in the Tender Documents which can be obtained from the SEWERAGE BOARD'S office in Baghdad against payment of the following sums:

1. ID 10,000/- For Sub-Contract 202-M31
2. ID 10,000/- For Sub-Contract 202-M32
3. ID 10,000/- For Sub-Contract 202-M33
4. ID 10,000/- For Sub-Contract 202-M41
5. ID 10,000/- For Sub-Contract 202-M42
6. ID 10,000/- For Sub-Contract 202-M43
7. ID 10,000/- For Sub-Contract 202-M44

Tenders should be submitted to the Tendering Office in Baghdad by 12.00 noon on Monday, January 13, 1976.

The preliminary deposits together with other certificates and documents as required above and as specified in the Tender Documents should be submitted to the Tendering Office in Baghdad by 12.00 noon on Monday, January 13, 1976.

D.G. & Chairman of the Board of Directors.
Dr. Naimidun Abdul Latif.

NOTICE OF INTENT TO CALL FOR TENDERS

FOR AERIAL PHOTOGRAPHY

The Government of Pakistan has approved for a Development Credit from the International Development Association towards the cost of Khairpur II Tile Drainage and Irrigation Farming Development Project, which is to be carried out by the Water and Power Development Authority.

The project will include provisions for procurement of aerial photography of the Khairpur II area of Pakistan, for which this Notice of Intent to call for tenders is issued.

In brief, false colour infrared and panchromatic aerial photography is required at a scale of 1:30,000 covering about 20 million acres to be completed by mid-April 1976. The work will be carried out subject to the security restrictions of Government of Pakistan.

Prospective bidders may be placed on the mailing list to receive preliminary specifications and an official invitation to tender, by promptly sending their request to General Manager, Master Planning, Wapda, Wapda House, Lahore, Pakistan.

SYRIAN STORING & DISTRIBUTING COMPANY
PETROLEUM PRODUCTS
"SADCO"

No. 5891/23
Date: 21/10/1975
File No. 49

Advertisement for call of offers
Second Request

The Syrian Storing and Distributing Company, Petroleum Products, announce Call of Offers for supply of clothing & equipment for cleaning the Tanks within the following conditions:

1) Cashier de Charges: Offered from SADCO's Head Office in Damascus, Contracting Department, and free of charge.

2) Deposit: Initial guarantee: 2% of value of offer. Final guarantee: 5% of final award's value.

3) Submission of offers: Offers are delivered to Registration Office of SADCO's Head Office in Damascus, P.O. Box 40.

4) Delay of offers: Offers are to be submitted until the close of the official working hours of Tuesday 27/11/1975. Every offer reaching after this date will be neglected.

5) Disclosure of offers: Offers will be disclosed on Wednesday 28/11/1975 at 10.00 hours.

6) Fine for delay: 2% per thousand of total value of contract for each day of delay.

7) Validity of offers: Offers are to be valid for 60 days.

8) Period of delivery: With the least possible delay.

9) Participation in this tender: Offered from SADCO's Head Office in Damascus, P.O. Box 40.

10) File number must be quoted on the offer.

11) Any offer not complying with any of the above-mentioned conditions will be disregarded.

General Manager
Mohamed Nadim Badieh

CINEMAS—Cont.

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REPUBLICA DEL ECUADOR

MINISTERIO DE RECURSOS NATURALES Y ENERGETICOS
INSTITUTO ECUATORIANO DE ELECTRIFICACION
PROYECTO HIDROELECTRICO PAUTE—ETAPA 1
LICITACION PA/2/3

INVITATION FOR PREQUALIFICATION OF CONSTRUCTION FIRMS

The Bot Committee of Instituto Ecuatoriano de Electrificación (INECEL), Quito, Ecuador, announces the reopening of the prequalification process for bids on the Construction of Amaluza Dam and Appurtenances, Bid No. PA/2/3, previously: Bid No. PA/2 to permit the participation of Construction companies from all countries of the world.

Amaluza Dam is an arch dam with a concrete volume of approximately 1,200,000 m³. Prequalification documents can be obtained at the address shown below upon payment of two thousand sucres (\$2,000.00) or eight dollars (\$8.00), non-reimbursable.

Instituto Ecuatoriano de Electrificación
Secretaría General, Avenida 10 de Agosto No. 1820, Room 102
P.O. Box 365—A, Quito—Ecuador

These documents will be available also at the Ecuadorian Embassies in Washington, London, Madrid, Paris, Bonn and Rome.

Firms which have previously submitted prequalification documents for INECEL Bid No. PA/2 do not need to submit new prequalification documents. However, they should supplement their presentation by filing in an additional form which they will receive at no additional cost from INECEL.

Interested companies are to indicate the possibility of their participation in the financing of this work. It is anticipated that INECEL will furnish certain materials required such as cement and reinforcing steel.

The time for submission of the prequalification documents expires on December 22, 1975, at 4.00 p.m.

Quito, October 1975
Ing. Miguel A. Hidalgo
Gerente General—INECEL

General Manager
Mohamed Nadim Badieh

General Manager
Mohamed Nadim Badieh

السيد منال



Building and Civil Engineering

Tarmac in £5m. Yemen venture

A joint venture between Tarmac International and the German companies Trapp and Heitkamp has won a road-building contract in the Yemen Arab Republic.

Following completion of the 25km Santa to Taiz road, the joint venture is to undertake a £5m. contract to surface and realign a 64km stretch of road out of Taiz to link up with the Russian-built highway continuing to Hodeidah.

The contract involves substantial earthworks associated with the realignment of the road, and the surfacing of the highway built many years ago by the Americans. A 25cm thick granular base course with a spread and chip surface will be completed in the ten month period of the contract.

The work is being carried out for the Government of the Yemen Arab Republic. The consultants are Ingeroute and Sir Alexander Gibb and Partners (Africa).

Asphalt in water

Tarmac Roadstone Holdings has entered into a joint venture agreement with the Dutch company Bitumartin, a specialist in the application of bitumen to hydraulic engineering.

Bitumartin is a leading company in the development of technically and economically feasible underwater applications of asphaltic mixes offering—as both an engineer and a contractor—the application of bitumen to breakwaters to pipeline protection.

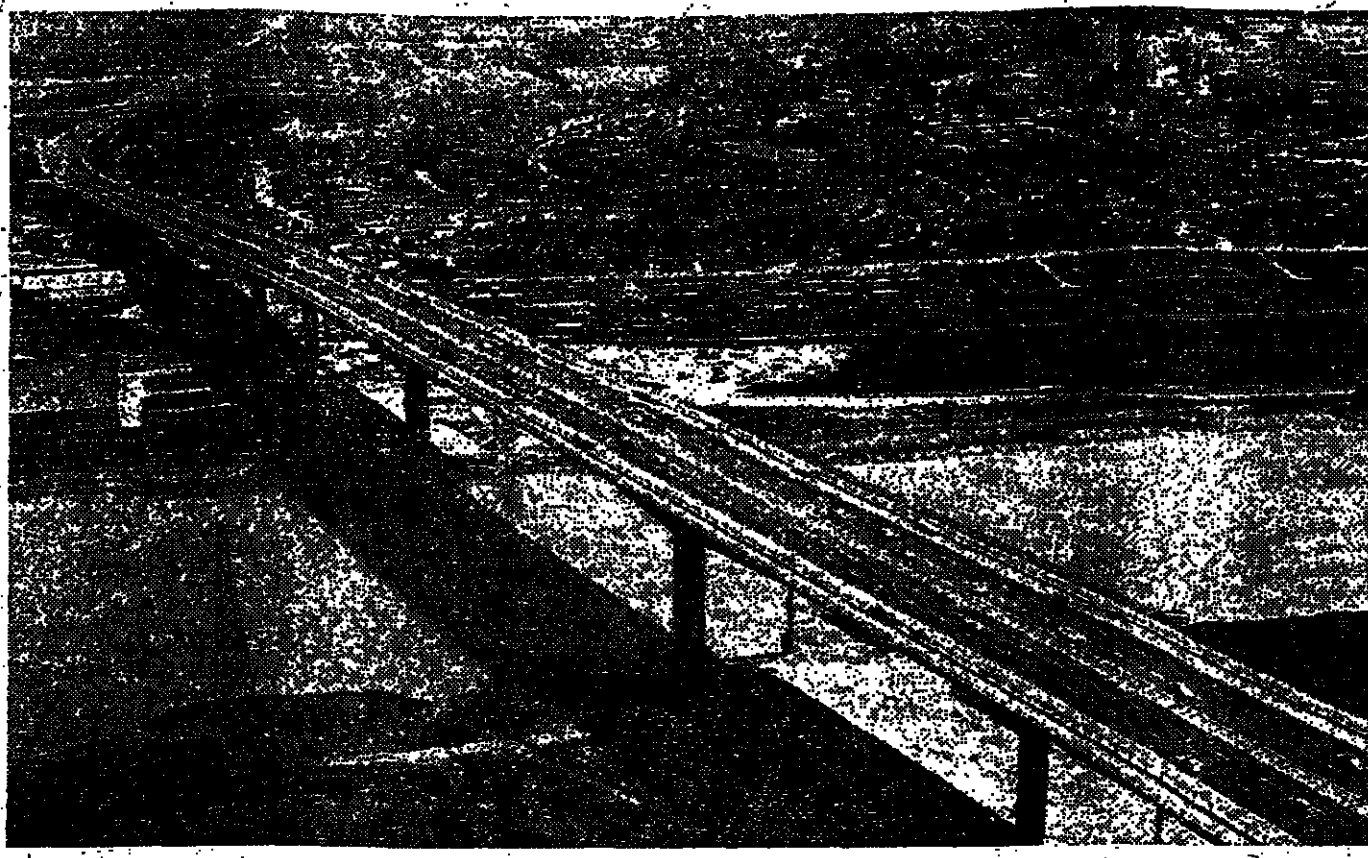
Norwegian natural gas terminal

THE KVAERNER engineering and shipbuilding group in Oslo, Norway, has designed a floating plant for condensing and storing natural gas.

The project has been developed by Kvaerner's shipbuilding subsidiary Mose-Rosenberg Verft, designer and builder of LNG carriers, together with the U.S. ship owner Gotaas-Larsen Inc. and International Systems and Controls Corporation.

Kvaerner is offering the plant at a fixed price of about £150m. Construction time is under 34 years compared with about five years at present for similar shore installations. It has a capacity of 10.7m. cubic metres of gas a day or 8m. tons a year.

The platform comprises three large units which can be joined in situ. Two of the barges carry three spherical storage tanks total capacity 165,000 cubic metres, while the third barge carries the condensation installations developed by J. F. Pritchard and Co., subsidiary of International Systems and Controls Corporation.



The use of structural steel in the design of modern bridges has received a considerable boost from the design award by the British Steel Corporation for the Avenmouth Bridge carrying the M5 motorway over the River Avon west of Bristol. The award is one of five in this the seventh year of the scheme. The £350-ft. bridge has a central span of 570 feet and was designed on the steel box-girder principle, exploiting

in the judges' words, "the strength, lightness and versatility of steel to the utmost—the well-balanced proportions of its substructure and superstructure lead to an economical and aesthetically pleasing result." The structural engineers were Freeman Fox & Partners and the architectural consultant was R. E. Slater. The steelwork contractor was Fairfield-Mabey.

H. A. N. BROCKMAN

Protection from the weather

ENCLOSED walkways glazed in transparent plastics materials are now being supplied by William Cox Spaceglazing. Cox claim advantages both in pedestrian safety and in cost-saving, apart from the attraction of a simple, arched design.

For the pedestrian there is protection from the weather, clear all-round vision and there is also less chance of damage from vandalism. The glazing is highly resistant to breakage from missiles thrown from or against the walkway and only a lightweight supporting structure is needed.

Over £2.7m. for Sir A. McAlpine

THREE contracts, together worth over £2.7m., have been awarded to Sir Alfred McAlpine and Son (Southern).

The largest, worth over £2m., is for 212 dwellings for the Telford Development Corporation. These will consist of 172

houses, 30 flats and 10 maisonettes constructed in traditional brick style at Hollinswood, Telford. There will be 12 garages integral with the houses, 30 with the flats, and the contract also includes roads, main drainage and all necessary site development works.

For British Rail, McAlpine is undertaking a contract worth about £500,000, at Oxley, Wolverhampton, where it will construct a covered servicing road and attached maintenance bay.

The third contract, valued at around £125,000, has been awarded to McAlpine by Turner Manufacturing Company, commercial gearbox manufacturer, of Wolverhampton.

This is for an extension at Turner's factory to form 9,575 sq. ft. of warehouse accommodation.

£3m. meat factory extensions

TWO UNILEVER Group meat factories—one at Bridge Road, Southall, Middx., the other at Silverdale Road, Hayes, Middx.—are to be refurbished and extended under a contract awarded to Bovis Construction by the Walk's Meat Company.

The contract is worth about £3m. and the work is programmed for completion in June, 1976.

At the Southall site, Bovis will refurbish five existing factory blocks in preparation for the transfer of production from the Willesden and Hayes factories. In addition, new canteen facilities are to be built.

At Hayes, two buildings will be extensively refurbished (the main building on three floors) to create additional facilities. Cullaplast Primer is the production of all cured-meat products following the transfer to Southall of meat preparation and sausage manufacture.

The building work provides for the provision of a 1,000m² cold store and the demolition of a 45 metre high brick chimney, which is to be replaced by a precast concrete one of a similar height.

Bungalows go by air

FIVE BRITISH made bungalows are being flown from Glasgow to Kano airport by "Skymonster" to meet the urgent housing requirements of U.K. staff working in Nigeria. The bungalows, manufactured by Youngman System Building, took to the air to avoid the delays currently being experienced at Nigerian ports where ships are having to wait several months to off-load mainly cement cargoes.

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BRANCHES NATIONWIDE

By-pass work worth £2.3m.

MEARS Construction has won a £2.3m. contract from Herefordshire County Council for the construction of the Bishop's Stortford north-west by-pass.

The contract calls for 4.6 kilometres of rural single carriage-way by-pass linking the existing A130 on the western approach to Bishop's Stortford to the existing roundabout junction of the A11 and the Birchanger Link. This in turn will give access to the M11 north of the town.

Route of the by-pass requires the construction of a number of structures including a 170-metre-long prestressed concrete viaduct over the Stort Valley.

Resin-based wall finish

BLUE CIRCLE Group has a new textured wall finish called Cullaplast which is resin-based and designed for application by plasterers. Cullaplast is for interior and exterior use and can be applied in many textures. Initially it will be available in white and six colours from the standard Sandtex range, but shades can be produced to order.

Cullaplast can be applied to most materials used in construction such as concrete, cement rendering, asbestos, plasterboard and gypsum plaster, subject to their being sound, smooth, clean and dry.

Normally, surfaces to which Cullaplast is to be applied do not need keying but do need an application of Cullaplast Primer. This is a liquid product applied by brush or roller and it dries in 2-4 hours. Cullaplast Primer is available in colours to correspond with the finish.

Blue Circle Special Products, Portland House, Stag Place, London, SW1E 5BJ, (01-828 2486).

Cover-up in Montreal

WEAVING OF roofing material for what may be the largest retractable roof ever constructed is proceeding at the Krefeld factory of Vereinigte Seidenwebereien AG, West Germany.

Intended for the main Olympic stadium in Montreal, the 22,000 sq. metre awning is made of woven Du Pont Kevlar 49 polyamide fibre coated with pvc, and the complete roof assembly will weigh more than 200 tons.

Dominated by a 165-metre-high inclined tower, into which the roof will retract when not in use, the cone-shaped stadium will be the venue for all track, football and equestrian events, and is designed to seat 70,000 people. The roof is intended to be extended or retracted within 20 minutes, and to cover the 490-metre-long arena completely.

IN BRIEF

● Matthew Hall Ortech has been awarded a contract valued at about £50,000 by Alton Horns Ingenieros Consultores S.A. to undertake conceptual and engineering design for a tin ore concentrator to be built at Laza in Galicia, Northern Spain. The concentrator will have a tonne feed capacity of 9,000 tons per day.

● Gough Cooper and Co. has been awarded an £835,000 contract to build 83 houses with roads and ancillary works at Branksome Hill Road, Sandhurst, Berks, by Bracknell District Council.

● A £120,000 contract has been won by Sigmund Pulsometer Projects, a member of the SPP Group, to supply pumps and associated equipment for the Helys sewage treatment works now under construction for the North West Water Authority.

Major study covers Europe's waste

COMMISSION of the European Communities (EEC), Brussels, has chosen Environmental Resources, London, to conduct a study of recycling and reclamation economics in European industry and to recommend financial and other incentives which the Community might apply to encourage increased conservation of scarce materials.

The study, which is being conducted by an ERL team of economists and industrial engineers under the supervision of ERL's Research Director, Dr. Robin Bidwell, will focus on 10 major groups of raw materials: ferrous metals, non-ferrous metals, including aluminium, copper, lead and zinc; paper; glass; plastics; rubber; textiles; chemicals; wastes from lubricating and other oils; and mining wastes and power station ash.

ERL will examine each of these types of materials in terms of five principal parameters. These are the quantity of the materials used by the European Community; the proportion imported and the proportion recycled; the major sources of

this material in industrial and municipal wastes and the chemical and physical form in which these wastes are present; the existing price paid for the secondary materials, compared with the price paid for the corresponding primary materials and a forecast of how the differential may change in the future; the cost to the Community of importing the material and the potential benefit for increasing the quality of the material recycled and re-used with the Community and any major problems of a technical and logistical nature to reduce the potential for recycling the material.

A further stage of ERL's work will examine selected materials with reference to processes available for reclaiming them and questions associated with the collection of these wastes for processing: the cost of transport and any savings in the pre-treatment and disposal costs that would otherwise be required if the material were not reclaimed.

ERL is at 01-486 8277.

More Ford loaders and excavators

IMPROVED equipment for the construction and earthmoving industries is to be marketed by the Ford Motor Company's tractor operations division.

Its latest venture is a new range of 180 degree excavator/loaders.

The current 3550 model is to be replaced by the 54 bhp 420 which is available as a tractor/loader or excavator/loader, while the 62 bhp 550 range is to replace the present 4550 model.

Improvements are said to include a better design of cab, redesigned front end loader and better comfort and safety for the operator.

Loader breakout force of the 550 is 8,000 lb with lift capacity of full height of 4,700 lb. This model is available as a side shift excavator/loader (maximum digging depth 13.5 ft 6 in.), a centre pivot excavator/loader (maximum digging depth 18 ft 6 in.) and as a tractor/loader (1 cubic yard capacity).

The 420 machines are stated to incorporate engine improvements, giving reduced noise and smoke emission. Two-lever control for backhoe operation is standard and so is hydraulic clamping.

Entries into buildings are a few of the applications.

Supplied as a two-part material, in use, equal amounts are cut from each bar of the two-part pack—one white and one black—and each piece rolled separately into a long round "string". The two strings are then placed together and folded, kneaded and rolled until colour uniformity is achieved. The putty is applied firmly to the prepared surface, working it in a manner similar to that used with modelling clay. It is then smoothed or shaped as required. Hardening will occur within approximately one hour of mixing and, when fully cured (in approximately 18 hours at 30 degrees C, 72 hours at 5 degrees C and one week at 0 degrees C), it may be primed and painted.

Sealcrete is at Atlantic Works, Oakley Road, Southampton SO9 4FL. 0703 777331.

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Wimpey busy in Canada

GEORGE WIMPEY Canada has won contracts worth \$4.7m. for site preparation, roads and sewers.

The largest of these is for the Ontario Housing Corporation at Scarborough, a one year contract which has now started and is valued at \$1,740,000.

For Grossman Holdings of Whitby a one year \$1.6m. contract for the servicing of Lynde Valley Estates has also begun.

The remaining contracts are for the township of Nepean (\$575,000) Monarch Construction Company, Scarborough (\$160,000), City of Brantford (\$170,000) and Ontario Housing Corporation, Stratford (\$435,000).

£1.6m. job for Lovell

HARLOW Development Corporation has awarded a £1.6m. contract to Lovell Housing for the erection of houses and flats at Guilford, Old Harlow, Essex.

The contract, on which work has started, will provide 170 dwellings.

The Lovell timber frame construction system will be used, first-floor cladding being either pvc boarding or stained softwood boarding and ground-floor cladding in brick.

Quantity surveyors are Oswald E. Parra and Partners, the engineering consultants are Howard Humphries and Sons and the Corporation's chief architect is Alex J. McCowan.

Flats to be improved

CORRALL CONSTRUCTION has been awarded a contract worth nearly £300,000 by the Royal Borough of Kensington and Chelsea for the modernisation of a block of flats.

The modernisation of the pre-war 47-flat Dacre House, Beaufort Street, Chelsea, London, SW3, includes the provision of central heating, the modernisation of kitchens and bathrooms, redecoration and the installation of two lifts.

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FINANCIAL TIMES SURVEY

Monday November 10 1975

THE BUILDING INDUSTRY

As the 36th International Building and Construction Exhibition opens at Olympia this week, the industry finds itself at the bottom of its worst recession for many years. How long before the upturn will be seen?

AS ONE construction industry leader recently pointed out, building was not so much in a recession but in a chasm of Grand Canyon proportions and it is certainly true that commentators on the construction scene have run almost as low on superlatives to describe the recession as builders have of work.

Opinions on how bad things have been and how much worse they seem set to become vary enormously but everyone is agreed that the building sector is suffering from one of its worst periods of activity for many years. In 1974, the industry went into sharp reverse across the whole range of construction work and overall output ended up somewhere between 8 per cent. and 0 per cent. down on the previous year.

Guesswork

For 1975, the pattern of construction has continued and the latest estimates indicate that a further fall of around 6 per cent. will have been recorded this year. As for next year, continuing decline is anticipated, though not quite of the same proportions. A 2 or 3 per cent. fall is expected for the moment this estimate must be regarded as guesswork and no one is making any effort to suggest what will happen in 1977.

To date, the industry has been forced to shed around 10,000 workers and statements high earlier this year suggested the figure may well

reach 250,000 before an improvement begins have begun to take on a disquieting ring of truth.

Companies as well as individuals have fallen victim to the recession, with public and private companies bowing to the enormous pressures inflicted upon them at a time of high inflation and low demand. Long-established building companies highly regarded for their skills and standards of workmanship have been lost for ever, along with larger operations that no one really believed could actually shut down.

But although the situation is serious, experiences have differed quite widely, depending upon which area of construction is involved. For the house builders, 1975 has been generally better than most dared hope, though by no means exceptional. After 1974, when total housing starts struggled to reach only 250,000 homes and monthly output at one stage sank as low as 6,000 units, the current 12 months should look positively respectable.

It seems likely that this year will reach around 300,000 while completions may total about 280,000 against 269,000 in 1974. In the last boom of 1972, starts amounted to 350,000 and completions stood at 320,000.

During the year, the local authority housing sector has quite consistently provided a brighter picture than has the private market and council house completions for 1975 look like beating the owner-occupied total.

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their product at a price which makes a reasonable profit possible. Many are still smarting from their experiences of the last boom, when land prices reached unheard of heights and their financial capacity to step up output now has been severely restricted.

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of the severity and extent of the well-publicised financial difficulties currently facing local authorities.

In non-housing areas, the position seems a great deal less optimistic. The 12 per cent. fall in public sector building work recorded in 1974 is expected to be followed by a further 7 per cent. or 8 per cent. drop this year, although little change is then forecast for 1976. The need to contain the ing programmes and there size of the Government's

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The pangs of recession

By Michael Cassell

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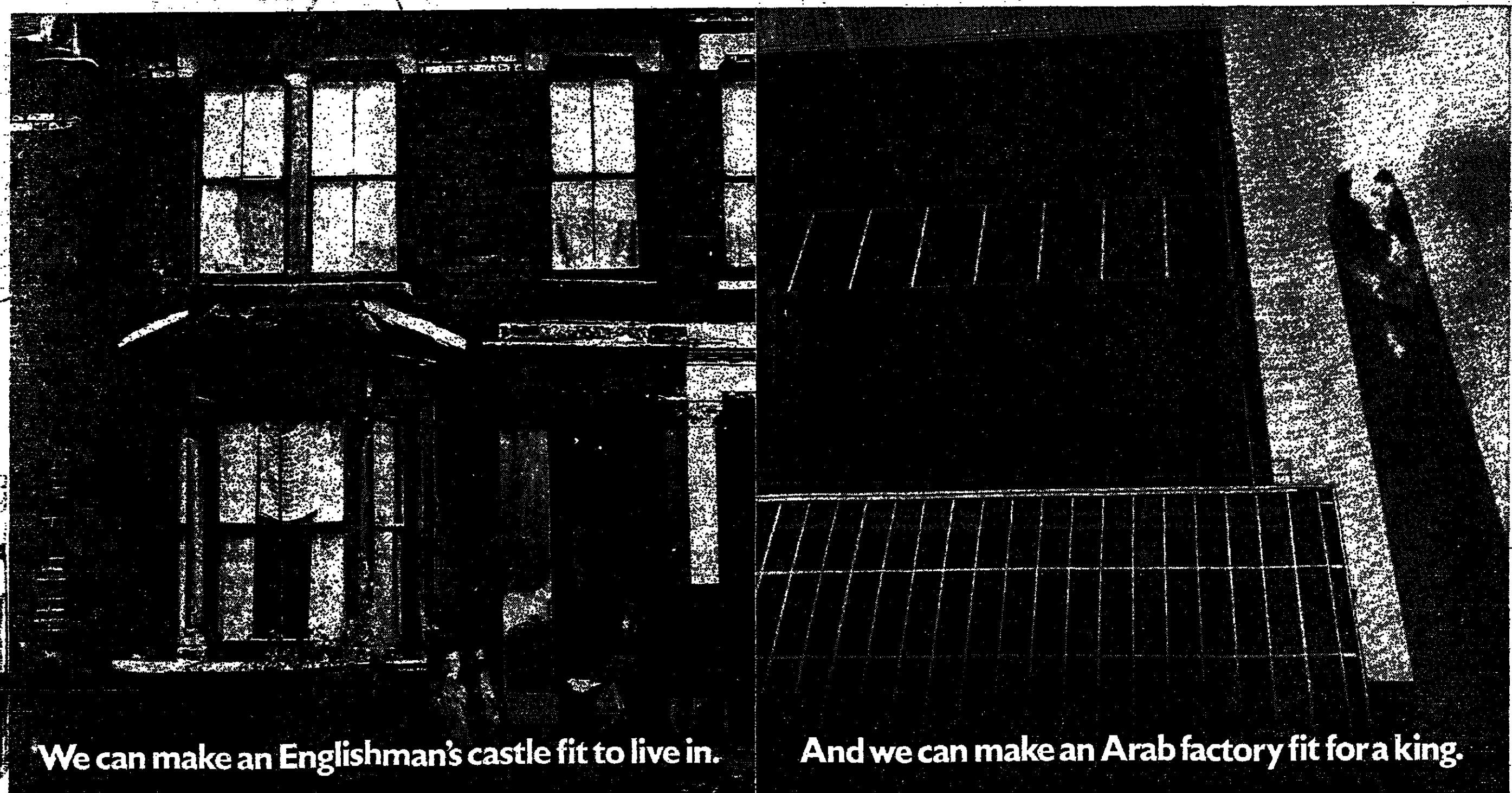
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Regulator

Because of the long lags between decisions to decrease or increase expenditure and the resulting rise or fall in actual building activity, it is generally acknowledged that the quick revision of capital programmes is a poor method of managing the economy in the short-term, but at the same time the construction industry can never realistically expect to escape being used as an economic regulator to some extent.

There seems to be a chance at least that a better understanding on the part of the Government of just how the industry works may well eventually lead to some levelling out of the wild fluctuations in fortunes which have beset builders and the building professions for so long. If to-day's recession achieves that, it could hopefully be the last of such enormous proportions.

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THE BUILDING INDUSTRY II

Housing upturn awaited

FOR THE second year in succession, Britain's house building industry has dragged itself along on the bottom of a recession and still awaits positive signs that the worst will soon be over. Government Ministers who for months past have faced on a never-ending succession of depressing statistics, apparently have now decided that it is best not to comment at all unless really necessary.

It is certainly true that, for the housing sector as a whole, the current year will be better than last, though this is little consolation when it is recalled just how bad 1974 was. During that year work began on about 250,000 homes compared with 350,000 in the last boom of 1972, while completions fell to 269,000 from the 1972 total of 320,000.

The performance went down as the worst for 20 years and projections of an equally disastrous 1975 came from many varied but venerable sources. In the event, the current year will not have turned out quite so badly, although the figures leave little room for satisfaction on the part of the Government, the builders or those people anxious to find some where better to live.

From among the many forecasts available and the actual figures for the first eight months of this year it is possible to draw some conclusions about the industry's likely achievements in 1975. It looks as though the industry's overall number of starts may well reach around 300,000 or not far short. In the council housing sector, starts during the first eight months of the year had reached 110,000 against the 1974 12 months total of 145,000; by the end of the year they could top 160,000.

In the private sector, starts by the end of August had reached 97,000 against the 1974

Completions

On the completions side of the equation, the combined total for both sectors this year may top 280,000 against the 269,000 of 1974. By the end of August private sector completions amounted to just over 95,000 and could reach a 1975 total of around 140,000, which would represent a repeat of last year's situation. In the local authority sector, completions in the first eight months totalled 101,000 against 129,000 for the whole of 1974 and should end up slightly ahead of the private housing completions figure.

Although these statistics are more encouraging than many people, at the start of the year, might have believed possible, there remains little optimism that the modest improvements of 1975 will be continued and built upon next year. Indeed, several forecasting panels do not see much progress at all in 1976, with output in some respects falling back again.

This outlook is a reflection of the pessimism which the house builders themselves now portray. For whether their eyes and ambitions are turned towards the local authority housing sector or the private market, prospects are not of the type which seem likely to instil encouragement and enthusiasm into their operations.

Faced with the slump in the private housing market, following the amazing events of 1972 when the domestic property world seemed to go temporarily insane, many builders were forced to turn to the council housing field in order to keep going. As a result, the local authority sector for some time

has provided a consistently brighter picture than the private field, with both starts and completions in recent months beating output on the other side of the fence.

But circumstances have changed dramatically in what seems a very short space of time and while many still appear surprisingly reluctant to make the hard but necessary decisions, it is clear that local authority budgets are in for some tough pruning and housing programmes will become an inevitable casualty of that action.

The builders who have much to rely for a greater part of their work on the local council, therefore, face the future with uncertainty. Neither do they seem any more confident about prospects in the private sector, the area in which most of them prefer to be and where they operate best. They remain confronted with problems left as a legacy from the last boom and face new ones. It is concern over the prospects for stability in the private housing sector which lies behind most builders' reluctance to step up output, combined with continuing severe financial restraints which to-day are felt right across the board.

Until now, builders have simply been faced with a situation where market prices do not cover construction costs and the entire building exercise is therefore best left alone. Many companies were trapped into buying development land at very high prices and building the type of house for which the market virtually collapsed overnight, leaving them with homes unsold and no capital for fresh development. For some, the position to-day remains unchanged, although figures show that the number of new homes still unsold has fallen by more than half in the past year.

Reluctant

There is a dilemma, however. The builders will remain largely reluctant to step up output without the clear prospect of a reasonable profit, making significant price rises a vital prerequisite to any major expansion programme. On the other hand, the Government and the building societies are pledged to contain prices. A point must be reached, therefore, where prices can rise at an "acceptable" rate, allowing building

programmes to expand but equally keeping the cost of home ownership within the bounds of reality for the public, especially the newcomers to the owner-occupied housing market.

For the moment, it looks as though some balance has been achieved—although the real test has yet to come. The major problem will be the few new homes now in the pipeline as a result of the builders' reluctance to build, for as the existing stock of unsold homes continues to diminish, the prospects for overvaluing of house prices increase daily.

This time, however, the building societies are far more aware of their responsibilities and influence and if prices begin to soar, the supply of funds will undoubtedly be tailored so that effective demand is only allowed to run broadly parallel with actual supply.

Sometimes have been anxious to make it clear that their present policies are aimed at introducing a stability into the affairs which, in turn, should reflect on the housing industry. They are confident that, even in the event of a dramatic change in current conditions, their lending programmes nevertheless can be maintained at high levels for some time to come. In this way the societies hope to remove builders' doubts about the availability of mortgage funds for potential home buyers when the homes now being built are ready for sale.

It is an attitude which should please the builders, but slightly more reliable prospects on the mortgage finance side will not be enough to stimulate the sort of action now required and it is a far wider range of uncertainties which still hold back many builders.

The potential repercussions of the Community Land Bill calculated to worry the builder far more than the current availability of mortgage finance, for the industry sees the Government's proposed legislation as the biggest threat to its survival. House builders believe that under the proposed law, very little land will become available to meet housing demand, there will be prolonged delays in the release of land by local authorities, house will become scarcer and more expensive and will not reflect what the consumer actually wants.

Michael Cassell

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Community Land Bill

THE COMMUNITY Land Bill, Tax with a flat rate of 80 per cent, rising to 100 per cent, on the Second Appointed Day when all land will change hands at current use value.

It is on the hope that Conservative would significantly reduce this 80 per cent figure that advice to hold rather than sell development land is based. Though committed to repealing

the Tories have not committed themselves to any specific change of the tax legislation (which they, after all, began with their Development Gains Tax plans). Some figures around 60 per cent, is often suggested as the level a future Conservative government would adopt.

In such an event the hope is for both a high market price, with a return of confidence, and a lower tax take. In the case of the Community Land Bill, this is a powerful case and one which might eventually produce a shortage of building land if local authorities do not play the full role envisaged under the community land scheme. Its benefits on unproductive land, granted an acceptable price, are more arguable. What housebuilders fear is that while there will be enough building land for the next two years, there will then be severe shortages.

But to blame this on fears of the Community Land Bill may be to paint a false picture. The reason for few deals being done and at low prices is primarily because there are so few buyers in the market. The problems of the housebuilders are obvious enough; and most of those who do not have serious liquidity problems have adequate land banks.

It is the cost of financing these land banks which have kept most buyers out of the market during this period. Equally, it is uncertainty about future housing demand which both builders and building societies identify as the main cause of the sluggish, if slightly improved trend in private housing starts this year. Until it is clear that builders can recoup their hugely increased costs on medium and low-priced housing, no active market in building land will develop.

None of this is directly influenced by the Land Bill. But Development Gains Tax and its intended transition to Development Land Tax has undoubtedly influenced many potential sellers. Indeed it now seems that the standard advice handed out to landowners is to hang on: either Labour's land scheme, like the two before it, will decay of its own accord, or else the Conservatives will return to office and scrap it.

Political

The first let-out must be regarded as a distinct possibility, although development land and planning profits have become even more political issues since the late Sir Henry Wells' Land Commission was allowed to atrophy. But on the availability side, governed by the sellers' attitudes, it is very unlikely that any Labour government would drop the tax side of its land policy.

So ignoring the much increased compulsory acquisition powers which might be wielded by councils with the money and inclination to enthusiastically carry out their new planning role, a Labour government will not lower the tax burden on land-sellers. Development Gains Tax, with individuals taxed at income tax rates and companies taxed at corporation tax rates will be replaced by the Development Land

develop, this time factor may prove even more uncertain. A planning permission will be immediately suspended, with the local authority then given up to two months to notify the developer whether it wishes to buy his land. Then the authority has another year in which to make its Compulsory Purchase Order. Such an Order needs to be confirmed by the Secretary of State and then the authority could take up to another three

years to complete the purchase.

Michael Cassell

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THE BUILDING INDUSTRY III



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High level of bankruptcies

THE CONSTRUCTION industry has always been a high-risk business in every sense, not just because of the potential dangers lurking on site but also because of the ever-present threat of financial collapse in the boardroom. Never before it seems have the inherent risks in the building sector materialised with such depressing regularity.

For an industry which has the unenviable record of nearly always topping the list of bankruptcies, the last two years will prove to have beaten all previous records, with building operations both large and small, private and public, succumbing to the pressures imposed upon them by one of the worst periods of activity in post-war years. The toll to date includes a handful of major companies and an estimated 170,000 workers.

It used to be the case that the small, speculative builder was responsible for most of the industry's failures, invariably as a result of his own ineptitude in either building or management—or both. But the pattern has changed dramatically this year, with more public companies in the building sector going into liquidation or receivership than in any year for well over a decade.

Borrowed

Some of the most notable casualties this year have, not surprisingly, come from the housing sector, where output has fallen dramatically in a market which went cold almost as quickly as it hotted up in 1972. The major problem has been the use to which builders put their borrowed money, namely the purchasing of land at a time when values were racing ahead. The situation was such that an actual building operation was hardly necessary, with the temporary acquisition of land leading to massive profits on the subsequent sale a few months later.

The builders, because of the pressures on them to supply homes immediately and apparently at almost any price, rushed in and bought without any regard to the chances of a reverse in the market. In the event, it came with a vengeance and companies were left sitting on land stocks purchased on borrowed money but not wanted for development by them or

anyone else. But if the prospect of healthy profits disappeared almost overnight, the high interest charges on their borrowings remained.

In a great many cases, the problems had reached crisis point over a year ago but they did not manifest themselves until well into this year. The reason was that the banks were only too well aware that if they had tried to liquidate the large land banks at that time, they would have flooded the market with something no one wanted.

They knew that if any sales had been achieved, the prices would have reflected the stagnant state of the housing industry and the banks would have ended up losing their money rather than getting it back. But with a gradual improvement in both the immediate situation and the general outlook for housing activity, the banks could begin to see sense in stepping in and this is precisely what happened during the summer.

One of the biggest and best known names to cease trading in 1975 was Bacal Construction, which paid the ultimate price for high interest charges on money borrowed to finance land sales. Losses on fixed price contracts added to the company's problems.

Another casualty was Northern Developments, the country's second largest house builder, where a Receiver was appointed in June after the supporting banks had decided enough was enough. The company has, however, survived and operates to-day under the Receiver's control.

Among the other names to disappear this year have been Cox Industries, Greensquare Properties, and Lewston International. French Kier, one of the country's largest motorway contractors, might also have joined the list but for substantial financial assistance from the Government which enabled it to carry on with its \$40m. of outstanding contracts.

Fixed prices were one of the major stumbling blocks for French Kier, whose difficulties forcibly underlined the problems of cost control at a time of high inflation that are currently inflicting themselves upon every sector of industry. Costs of labour and materials have continued to escalate at a previously unknown rate, making estimating an impossible task and leading some contractors into serious difficulties. The position has been worse still for some small operations who would readily admit to knowing a great deal about building but little about how to cope with the mounting financial problems which have recently beset him.

The picture has not, however, been one of total gloom and some companies—usually the larger, better organised ones—have so far managed to acquit themselves very well in the face of such bleak surroundings. But while some have been reporting improved profits, most of these have been forced to add the customary warning that if present ordering levels are maintained, then their successes so far might well be more difficult to maintain over the next year or two.

The fact is that building output seems set to get still worse before it gets better. Companies have to some extent been living on the work awarded to them before the slump but as the full extent of the economic situation begins to bite and investment programmes hold fire, the pipeline is drying up quickly.

But some of the biggest operations appear reasonably happy with life. Not every house builder has been having a disastrous time, as Bryant Holdings, the Birmingham-based operation can confirm. While profits last year were down to £1.56m. against £2.3m. the previous time, the final outcome was better than the company had been suggesting earlier on. Bryant says that its order book is reasonable and homes sales are holding up, though profit margins have been slimmed down as costs continue to escalate. In every area but housing, the company is now protected by escalation clauses.

Overseas

John Laing announced a first-half profit increase from £5.53m. to £5.97m. in September and said it expects last year's £11.2m. to be passed. Laing has not built up overseas markets to quite the same extent as some of its competitors, with the U.K. providing roughly 60 per cent. of its trading profits. Faced with low levels of activity at home, however, its overseas business is expanding and now accounts for just over 20 per cent. of turnover, although some of the benefits of this steady build up will not be felt yet.

Costain, another company to report recently, has large overseas markets which in its last full year accounted for over half of the group's turnover and over 60 per cent. of profits. In the first half of 1975, pre-tax profits have risen from £4.19m. to £5.51m. and are expected to pass the previous year's £10.68m.

Another international civil engineering giant, Taylor Woodrow, reported a good rise in pre-tax profits for the first half of 1975 and expects last year's record pre-tax figure of £10.47m. to be beaten. Again, work abroad is helping the company to cushion the effects of the recession in the U.K. and over 50 per cent. of its profits are coming from abroad.

So the picture is not one of total depression, although the overriding worry is just how much worse the home market in all sectors of construction activity can get. Whether the bottom has yet been reached will not be clear for some time yet and in the meantime the builders will be doing what they can to cut costs, improve efficiency and seek out new areas of activity to spread their operations over a wider, more stable, base.

Quentin Girdham
Property Correspondent

Michael Cassell

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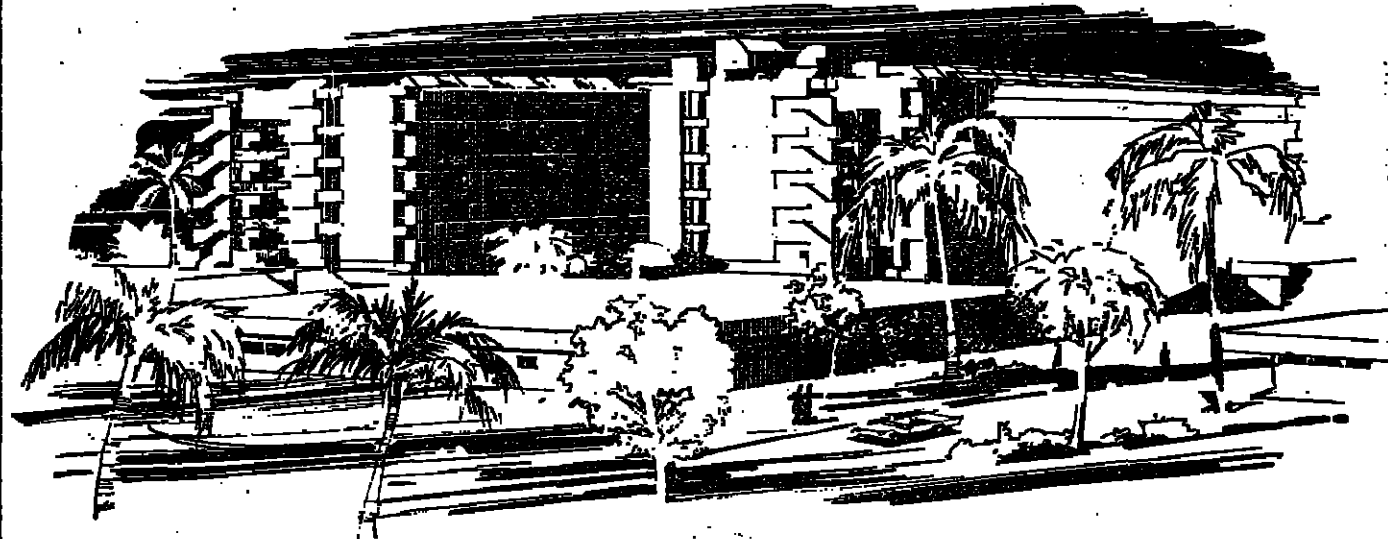
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THE BUILDING INDUSTRY IV

Recruitment worries

GOVERNMENT PLANS for special construction projects centred on the modernising of old hospitals and schools will at least go some way towards reducing the industry's chronic unemployment levels which, because of the recession, stand at about 172,000.

But it seems unlikely that this £30m. Government scheme, announced at the beginning of the month, will have much effect on the problems of apprentice recruitment — an issue of considerable long-term importance to the industry.

With the recession leaving more than 60 per cent. of building companies operating at 75 per cent. capacity or less — as shown in a recent National Federation of Building Trades Employers survey — indications are that apprentice recruiting figures are about 30 per cent. down on this time last year.

This is not yet shown up in official apprentice registration figures published by the industry's National Joint Council, because these are always six months out of date as employers only register apprentices once they have completed a six months' probationary period. But the NFETS maintain that a truer, and more worrying assessment of the situation, can be made from reports by member companies stating they are only recruiting apprentices at about 70 per cent. of last year's level.

There has also been about a dozen cases of apprentices actually being made redundant because of the financial plight of their employers.

Alarmed at this trend the NJC is considering the possibility of developing a scheme whereby apprentices once taken on are safe-guarded from being made redundant should their company collapse. Such a scheme would probably involve apprentices being passed on to other companies in such an event.

The industry's trade unions are, however, understandably wary of such a scheme which could have the very reverse effect to that intended and could actually encourage some employers to unload their apprentices.

For the more general problem of saving apprentice recruitment the industry is

looking towards the Government for help. But although the Government is prepared to increase the numbers of those given full-time training under the Construction Industry Training Board schemes the worry is that there will be no jobs for these apprentices once they are trained.

The Government has offered to extend training at Skill Centres or technical colleges to any CITB trainees unable to find jobs but the industry fears that under these proposals apprentices may never get the chance of site experience. It has been suggested, however, that the Government's recently announced job creation programme might provide scope for some apprentices to go on site.

Apprentices

About a quarter of the 12,000 annual intake of apprentices is taken up by building companies with the remainder placed on courses by the CITB. About half of the total are in full time training with the rest on day or block release.

While these efforts are being made to protect the traditional apprenticeship scheme there is some evidence of a union backlash against the Government's short stay training scheme at Skill Centres. A recent meeting of delegates from the T&GWU's building crafts section calls for an end to this form of training building craftsmen because of high unemployment levels. It was felt there might be disputes if newly-trained men were given jobs instead of already traditionally trained men who are unemployed.

Meanwhile one effect of the recession which is causing little sorrow in the industry, certainly on the union side, is that because of the changed labour market the so-called "lump" system of labour-only sub-contracting has virtually disappeared.

The system, which often includes large-scale tax evasion, can only really flourish at times of labour shortage. If left unchecked it is certain to reappear as the industry emerges from the recession but this will prove all the more difficult because of attacks on the lump which are now coming from several directions.

First trade unions are putting pressure on employers at sites where lump labour is used. But such moves, which often involve strike action, can only be carried out where the unions have sufficient members. This is not too often in an industry

where only about one-third of the labour force is unionised.

Secondly, the NFBTE has its own voluntary anti-lump register of building contractors which currently comprises some 1,500 companies including all the major ones. Some local authorities will only grant contracts to registered contractors.

But of far greater significance are Government moves to tighten up the tax system. Already there have been many well publicised prosecutions mainly involving forging of tax exemption certificates and the introduction soon of redesigned certificates including the holder's photograph should be another blow to the tax evaders.

The Government is also setting up a Construction Industry Manpower Board to advise it on the effects of measures designed to tackle abuses of the labour-only system but it is clear that these abuses will not be eliminated until the Government does something to even out the public sector's demands on the industry and end the continual stop-go situation and until the industry itself eliminates the shortage of skilled craftsmen.

As in all others, the construction industry has to comply with the £6 limit on pay increases set out in the Government's anti-inflation pay policy. But building employers and unions interpret that policy differently.

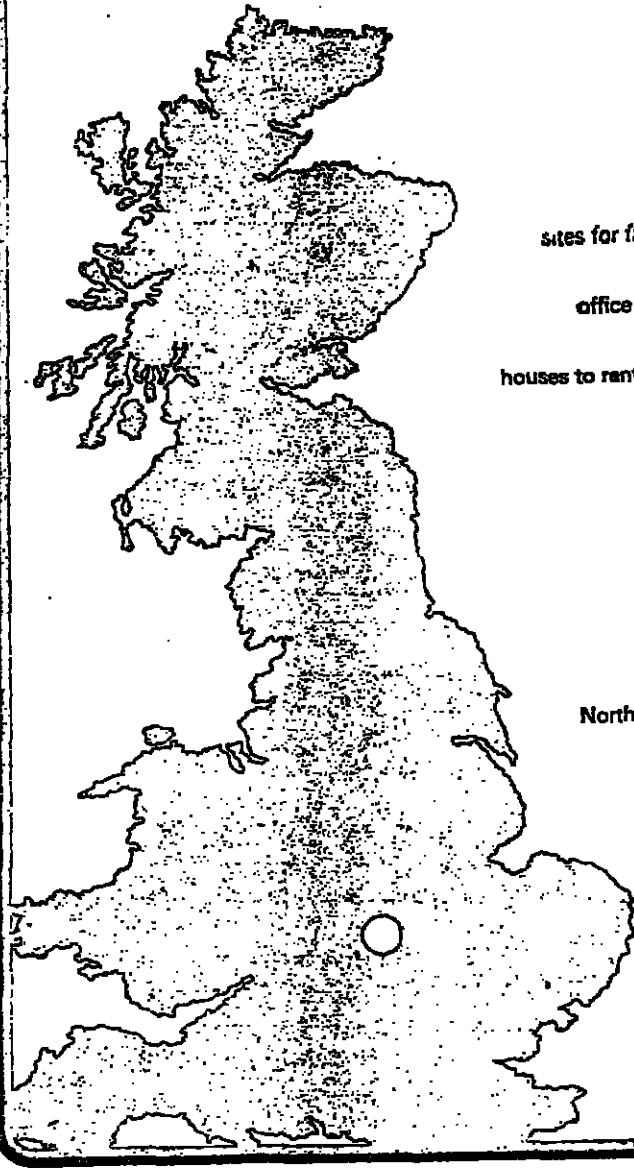
The unions have just lodged a demand for immediate £6 increases even though their last basic pay rise, the second stage of a national agreement, was in June. They claim to be invoking a clause in that agreement allowing them to table further demands if there was an exceptional jump in the cost of living during the 18 months life of the agreement.

They argue that the Government's ruling that there should be 12 months between settlements should be applied as from the first stage of their deal last January. If it had to be applied at all, ideally they want to return to their traditional October annual pay date.

For their part the employers maintain that the state of the industry and the Government's policy both preclude any further increases before next June. Government guidance will no doubt be sought before negotiations progress much further.

Roy Rogers
Labour Correspondent

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Notorious safety record

SOME 161 workers lost their lives in construction accidents last year alone. And that was a considerable improvement on the previous year when there were 230 fatal accidents.

The industry is notorious for its poor safety record, an issue spotlighted year after year by the Chief Inspector of Factories. In his latest report he says that despite the great efforts being made by a large number of companies who take health and safety seriously, and despite the increasing toughness of the Inspectorate to those who do not, there is still "an extraordinary and discouraging history of accidents that should not happen."

The Chief Inspector speaks of some contractors who argue about the need to shore excavations even though "there has been over the years a succession of live burials which were clearly avoidable."

The reason why the incidence of accidents in construction should be significantly worse than that for any other industry for which the inspector is responsible owes a lot to the diversity of building activities and the number of sites operated. By contrast with a factory environment where it is possible to establish greater discipline in the operation of machinery, construction is dispersed over thousands of temporary sites.

The workforce tends to be highly mobile. Moreover, there is a high flow of labour in and out of this cyclical industry as

it responds to the peaks and troughs of the national economy. The perennial problem of sub-contract "lump" labour makes regulation of training and safety that much more difficult.

The Factory Inspector points out that the work is often inherently dangerous and the penalties for a moment's thoughtlessness when working on, say, a high scaffold or steel structure, are high. Also, potentially lethal plant is too often operated by men with insufficient training or experience.

Apathetic

"There are many managers and people in the industry who make great efforts to tackle these risks: there are also too many who can only be described as apathetic."

However, managements are being forced to take another look at safety and training within their companies under the Health and Safety at Work Act which came into force in April this year.

Under the legislation companies are required to draw up a written safety policy and the onus is placed firmly upon them to ensure that their workforce is adequately trained.

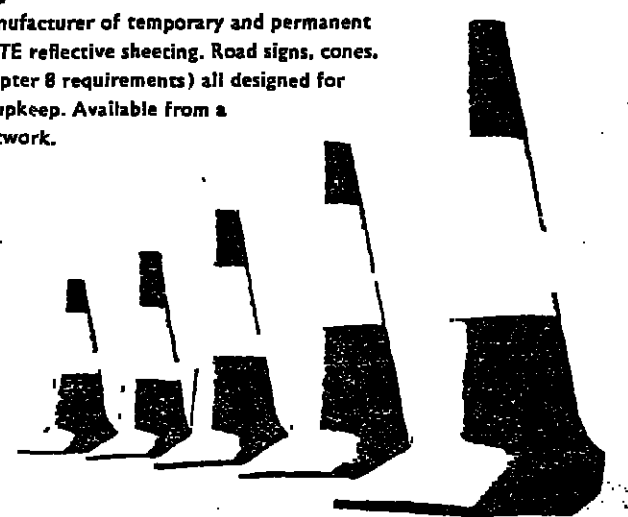
An important sanction made available to the Factory Inspectorate to deal with companies in breach of safety standards is the power to serve a prohibition notice and stop work on the job until the situation has been remedied.

The psychological impact of

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THE BUILDING INDUSTRY V

Need to organise for overseas expansion

BRITISH CONSTRUCTION companies, together with the wide range of associated professional services which contribute to the nation's balance of payments in "invisible" sense, have been doing well abroad against a background of home market slump. Although opinions vary a little, there appears to be a general consensus that past success is only a taste of what a correctly organised construction exporting effort could achieve in the future.

The latest statistics from the Department of the Environment show the construction sector's export achievements provide an indication of how things have been going. In the 12 months March 1975, orders obtained by U.K. contractors in overseas markets were valued at £980m, current prices, an increase of 12m.—or 86 per cent—on the previous 12 months. Business was won in no less than 106 countries.

The volume of work carried out during the same period at £395m, at current prices, compared with £340m. previously. Work outstanding at the end of March had risen to a healthy £1.13bn, more than double the previous year's level.

Middle East

The Department's figures also show where contractors are doing most success, and it is doubly surprising that the Middle East comes top of the list. Work in Asia as a whole, at £4m, accounted for 51 per cent of the world total and was 9m. above the 1973-74 level. Middle Eastern countries, mostly in Asia, accounted for 7m. of the total. According to the Department, there was a large increase in the value of new contracts obtained in Europe, with a record £161m. in order to provide what Mr. Reg Fresson, Minister for Housing and Construction, described as "a clear target" for the export effort. Its terms of reference will be the selection of single firms or groups to pursue particular construction projects overseas and to examine ways of harnessing additional resources in the construction sector and professions to meet opportunities abroad.

Thus, finally the package of services, skills and hardware which many developing countries and potential clients require may well be brought together in an acceptable form at Government level, a development which will undoubtedly help efforts in the Middle East and elsewhere, where many materials — to the nation's benefit — appear to be taking on an increasingly important position in near-mammoth proportions.

1974-75 was more than £200m; the previous 12 months' figure was £170m.

The position certainly shows some growth, although allowance has to be made for the effects of inflation. The figures are, of course, six months old and there seems little doubt that efforts to win overseas business have been mounting during the current year, with significant orders being picked up. There is apparently nothing like a scarcity of work at home to encourage otherwise cautious companies to take a look at potential markets overseas, although anything but a carefully analysed approach to the situation could easily lead to disaster.

It is against this background of vast potential but, for many, lack of experience, that the Government has now stepped in — following some very hard lobbying — to see if the nation's overseas construction effort cannot be marshalled more efficiently, as is already the case in some other countries with significant building industries.

In August, Mr. Reg Fresson, Minister for Housing and Construction, announced the formation of the Construction Exports Advisory Board, whose main task will be to provide a focus for U.K. construction exports and to assist in bringing the industry's resources together to help them take advantage of opportunities abroad. The emphasis of the entire concept is, not surprisingly, very much on the Organisation of Petroleum Exporting Countries.

The new Board, which will be jointly served by the Departments of Trade and the Environment, will bring together the main sections of the industry and the professions concerned with construction work overseas in order to provide what Mr. Fresson described as "a clear target" for the export effort. Its terms of reference will be the selection of single firms or groups to pursue particular construction projects overseas and to examine ways of harnessing additional resources in the construction sector and professions to meet opportunities abroad.

Thus, finally the package of services, skills and hardware which many developing countries and potential clients require may well be brought together in an acceptable form at Government level, a development which will undoubtedly help efforts in the Middle East and elsewhere, where many materials — to the nation's benefit — appear to be taking on an increasingly important position in near-mammoth proportions.

Much of the pressure for such an organisation did, in fact, come from Middle East governments who were anxious to see the British Government more readily identified with the operations of U.K. companies in their countries.

Hopeful

The formation of a more centrally-oriented export effort, of course, is not going to solve all the problems which confront companies hopeful of capturing a slice of the Middle East market. The problems will be immense and many fingers could get burned if there is too much haste in seeking business in new fields.

The Export Group for Construction Industries and the Association of Consulting Engineers are among the influential bodies which have pointed out some of the pitfalls which lie along the path to overseas success. The Department of Trade has been equally anxious to make people appreciate the realities of the situation.

Though not all the potential business from Middle East nations is of mammoth proportions, it is clear that a great many of the contracts which are beginning to emerge from nations now generating the world's largest financial surplus, will be of a size which puts them beyond the resources of most contractors. Thus a new approach to joint-ventures and consortia looks inevitable.

The Export Group has pointed out that 80 per cent of the total overseas work obtained by U.K. contractors goes to the big operations. Apart from the sheer financial strength required to tackle £2bn. housing schemes or, more modestly, a £100m. dry dock project, the other necessary resources will also be sorely stretched. The big construction companies already operating in the Middle East — some of them have been well established for many years — could be accused of trying to frighten new competitors off with their constant reminders of the problems they face, but theirs is the voice of experience and their difficulties in obtaining the necessary numbers of staff — from engineering and design personnel, land and quantity surveyors, to accountants and skilled artisans — have been very real at times.

It is not only labour which presents problems. The availability of building materials in countries where support industries for the construction sector barely exist will also cause many headaches. For despite the existing efforts of some developing

nations to establish their own materials manufacturing operations, these activities have so far been confined to comparatively smaller-scale cement and steel works, for example.

The manufacture of vital construction materials is, of course, another area in which British companies are already becoming interested. London Brick recently announced its first venture abroad, a joint operation with Iranian partners to help build and operate a brick-works in Iran. The move is a slice of the first of its kind involving a long-established U.K. materials manufacturer and undoubtedly will have created much interest among other companies in the materials supply industry.

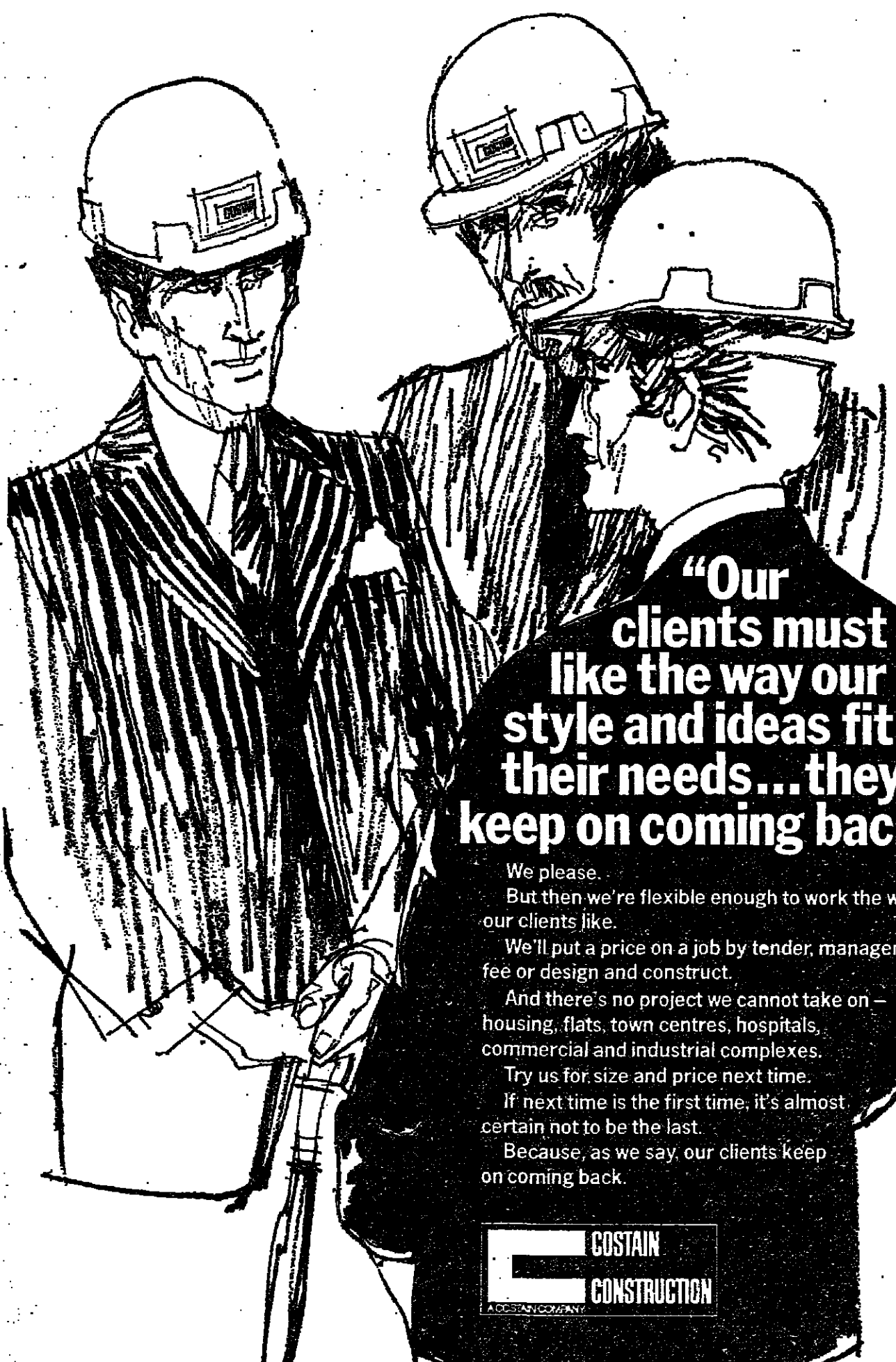
London Brick says that the total investment in the new venture will amount to about £3.5m. and that initially the new works will produce around 500,000 bricks a day, with that figure more than doubling. Perhaps the most interesting comment to emerge from the world's largest brick manufacturer on the day it announced the new project was that several similar markets were being studied closely and that further developments might well be forthcoming.

Foothold

But while the Middle East has become fashionable in just about every sense, not merely construction, the U.K. construction industry realises that the potential for a greater share of the world's total construction business lies over a far wider area, some of it much nearer home. Few people underestimate the equally challenging problems which confront any U.K. company attempting to gain a foothold in Europe, where countries already have their own well-established construction industries. The opportunities are, nevertheless, there and there are widespread hopes that the previous poor performance in Europe can now be improved.

Africa, too, holds out tremendous potential and, as with many other areas of the globe, U.K. contractors setting out to win business have the distinct advantage of coming from a country whose worldwide reputation in the construction and associated fields will have preceded them. The prospect of closer co-operation and more effective organisation within the U.K.'s construction industries will, it is hoped, lead to a steadily growing share of a fruitful and rapidly expanding world market.

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Safety

CONTINUED FROM PREVIOUS PAGE

the new legislation will be important in changing people's attitudes. In an industry as complex as construction, it will take time to work out with management and trade unions policies to cover safety and training. The situation cannot be expected to change overnight.

Mr. Bill Simpson, chairman of the Health and Safety Commission, stressed the responsibility that management must take upon itself when he spoke at the recent safety conference organised jointly by the National Federation of Building Trades Employers and the Federation of Civil Engineers and Contractors.

While he acknowledged that many accidents are the result of individual carelessness or bravado, he stressed that it was the job of management to set the rules and ensure the training necessary for safe working.

Activity

Dismissing the drop in fatal accidents in 1974, Mr. Simpson said there was no cause for complacency. The number of construction workers killed fell to 161, but this cannot be explained away as a mere reflection of the lower level of building activity; the statistics show a proportion of 18.4 fatal accidents for every 100,000 men compared with 22.7 in 1973.

It would be foolish to see the 1974 improvement as even starting a trend towards a safer industry, Mr. Simpson insisted. Simple accidents kept recurring "with horrible regularity." Last year alone were responsible for 20 deaths and 2,000 accidents a year.

Among the principal problem

areas picked out by the Factory Inspector is the increasing use of large capacity mobile cranes. He notes a "disturbing trend" for the proper use of outriggers on large cranes.

The increase in the size of such cranes has made imperative the need for training, not only of drivers but of everyone — including management — concerned with their erection, the assessment of ground bearing strength and the requirements for proper support.

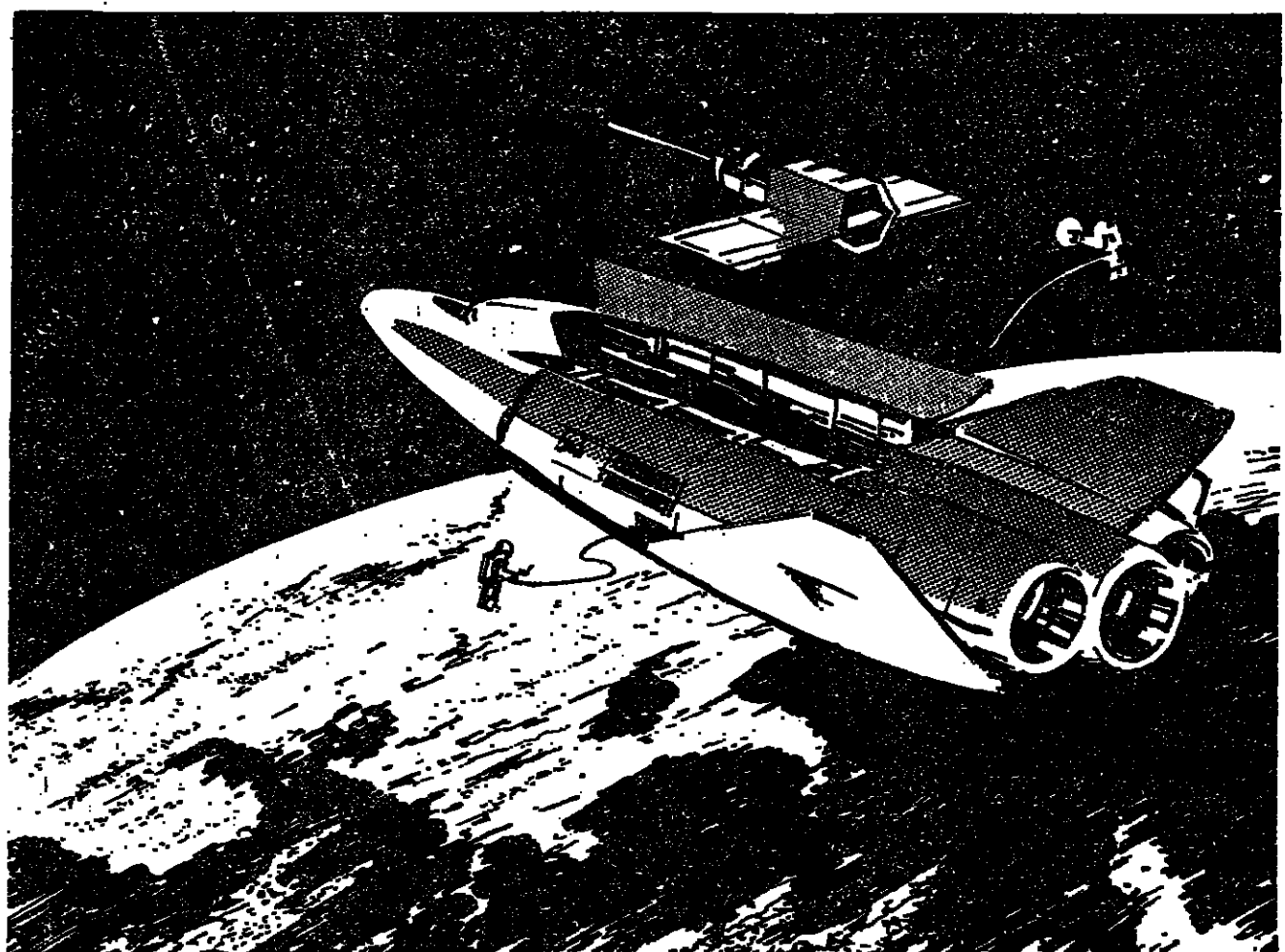
While acknowledging that owners should want to get as much work as possible out of their cranes, the Inspector says reliability ought to take priority over all other considerations. A timetable is recommended to ensure proper maintenance and inspection schedules.

Manufacturers of cranes are making a contribution by seeking to advance technology and reduce safety risks. In addition many of the principal manufacturers also operate driver training schemes.

An indication of the increased attention which companies are giving to safety and training is given by the higher demand for courses at the Bircham Newton Training Centre, operated by the Construction Industry Training Board.

Though the construction industry is suffering from its biggest recession since the 1930s, many companies are raising their efforts to comply with the higher standards demanded. The new powers which will be available under the Health and Safety Act should make a valuable contribution towards improving the industry's safety record.

Arthur Smith



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THE BUILDING INDUSTRY VI

Key role of the merchant

"A VITAL link in a vital industry" is how Britain's builders' merchants like to describe themselves and few would argue with this description. In a sector which necessarily grows more sophisticated and invariably more complex each year, so the demands on the merchanting arm of the construction industry have increased.

There are an estimated 2,750 merchant outlets throughout the country providing a nationwide service and supplying annually products worth between £500m. and £800m. Their role is to-day much more than the straightforward supply of materials to contractors on site, with the modern merchant being called upon to participate in the construction process at every stage, from design to estimating right through to the completion of the contract. The merchant acts as the co-ordinator of all the materials and components which are required, entrusted with the vital task of ensuring that they are at the right place, in the correct quantities and at the right time throughout the contract.

While readily appreciating that their industry, like the construction sector as a whole, is largely at the mercy of far greater forces than they can hope to control, the merchants have nevertheless identified the areas which they believe could be better exploited particularly during difficult times and are making strenuous efforts to capitalise on them.

Top of the list is home improvement work, which in the past has provided merchants with a valuable market to compensate for the fall in new construction output but which now is falling away substantially as the rate of grant-aided improvements declines. The latest figures from the Department of the Environment showed that house renovation grants for an estimated 38,000 homes were approved in Great Britain in the third quarter of this year, compared with 56,400 in the same period of 1974. The NFBBM has called for an immediate reversal of what it feels to be a disastrous situation that may help to destroy much of the progress it has made in promoting the improvement of sub-standard housing.

Experience

As the National Federation of Builders' and Plumbers' Merchants itself points out, the function of the builders' merchant requires a high level of experience, management skill and specialist knowledge and one which is essential to the efficiency of the total building team.

The essence of the merchant's job is to provide an efficient distribution system for vital materials and components, and to do this he has to hold large and comprehensive stocks that can be fed out as required. He must first understand how the construction sector works, the way in which architects, engineers, surveyors, builders and sub-contractors, manufacturers and merchants all co-operate.

The merchant must keep up to date with the latest developments in new products and construction techniques, as well as provide technical and cost information for planning and estimating. In a business dealing with so many different commodities, there is an over-riding need for people who also have the financial ability to

provide sound costing, credit control and accountancy procedures, skills which at times like the present take on an added importance. Builders' merchants are among the first to see just how the industry is progressing and by monitoring their own sales have in the past provided a reasonably accurate picture of future patterns of output. As with every other set of statistics concerned with the building industry recently, their figures have not made pleasant reading, although there are now signs that the position has at last bottomed out.

Marketing

While the more traditional sources of business for the merchants continue to experience hard times, building maintenance is likely to prove another area in which the trade can make an extra marketing effort. Maintenance and repair costs to existing buildings in this country are currently calculated to be in excess of £1.8bn. a year, providing a major market for materials suppliers which may well expand considerably as companies and organisations are forced to make the best of what they have.

As with all other sectors of the construction industry, the merchants are also casting a careful eye over opportunities in overseas markets, where some U.K. distribution operations are already well in evidence.

Through European bodies, discussions have taken place on such subjects as standardisation of systems, supply and demand, and other aspects which are of significance to the building industry in the enlarged European Economic Community.

The U.K. merchanting sector believes it is therefore well placed and prepared to take advantage of the changes

emanating from EEC entry. Changes there will certainly be for the building merchants of the 1980s. The introduction of computers on a wide scale — they are already well in evidence — seems inevitable if the merchant is to cope with the growing demands on his services. While the initial capital outlay will present itself as a major barrier in many cases, the eventual rewards should include a reduction of overheads and the development of information which will enable the productive trading staff of merchants to increase efficiency. Stock control will be improved, and customers' statements speeded up, while credit control should also be made easier. Credit facilities of the type presently offered to many customers seem, in any case, destined to be tightened up permanently in future, as a legacy of the present problems which manufacturers, suppliers, and their ultimate customers now confront. The system whereby merchants' customers are expected to pay by the last day of the month following delivery will probably be rigorously imposed.

In the past builders' merchants have regarded the house builder and smaller commercial contractor as their normal customers, from whom the majority of orders arise. More recently, however, the larger merchants in particular have shown an increased interest in the large contractors who are invariably national limited companies. To get a share of their business, merchant's profit margins have to be trimmed in most cases, but orders are often very large and placed not purely on one site or one delivery, but on a contract basis. This business has advantages in increasing rebates from certain suppliers or possibly even discounts, therefore increasing the profit made on all transactions with that particular supplier. The trend looks set to continue throughout the next decade and there will remain a growing need for a comprehensive ongoing education programme to ensure that the merchant operation keeps abreast of the latest developments in all the skills it encompasses.

The 1980s will not, however, present a picture in which everything changes. The construction industry is known for its conservative approach to life and, indeed, many of the systems and services which surround it have formulated themselves a fairly efficient pattern. But, more than ever before, there will remain a growing need for a comprehensive ongoing education programme to ensure that the merchant operation keeps abreast of the latest developments in all the skills it encompasses.

Michael Cassel

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OF26

AMIDST THE current gloom surrounding Britain's economic situation and the trend in company profitability, one highly significant sector has still been turning in profits figures which many others must envy. The purveyors of good news are the plant hire companies; not all of them, of course, for there are probably some 2,000 active in this field in one way or another. But the last few weeks have seen a not insignificant number of those which are among the more important report an upward trend in their profits (at least, under present accounting methods)—changes along the lines of those recommended by the Sandilands Committee or taking inflation into account in some other way would undoubtedly present a somewhat different picture, but still one relatively more healthy than much of the rest of industry (to-day) and make encouraging forecasts about the future.

Among the more spectacular gains was that announced last month by Hewden-Stuart Plant, whose profits in the 26 weeks to August 3 were 25 per cent better than a year before at £1.59m. on a turnover of £16m. (up £4m.). Acquisitions between the two periods played a part in boosting the figure, but only a "modest" one according to the directors. Overall profits this year, the directors believe, should prove "satisfactory," and a pre-tax figure of £3.3m. compared with last year's £2.83m. has been suggested as the possible outcome.

Richards and Wallington, another major name in the business, notched up a pre-tax profit of £1.18m. (before a transfer of £815,000 to tax equalisation) on a turnover of £15.8m. against £1.12m. and £11.8m. (with £585,000 to tax equalisation) respectively in the corresponding six months of 1974. And, according to Mr. Roy Richards, chairman of the group, business at home "proceeds well."

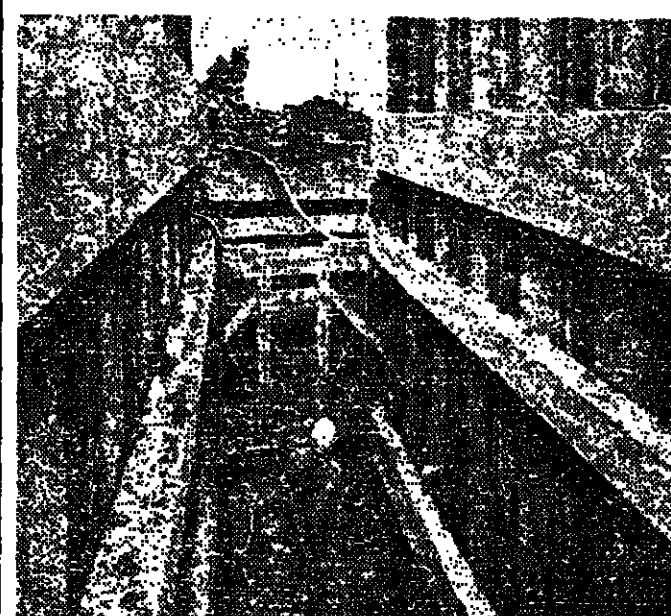
Then there is G. W. Sparrow and Sons, like Richards and Wallington a leading name in the crane hire field. Its first-half pre-tax figures were 26 per cent up on the same period last year with a profit total of £401,000 on a turnover 40 per cent ahead at £3.09m., while Mr. A. W. Sparrow, the chairman, forecast a full year that would at the least show an improvement on 1974's record pre-tax profit of £534,000.

Short periods

Clearly, results of this sort are something of an enigma. Why is it that, when so much of British industry is doing so badly and has the odds so firmly stacked against it in present economic and political conditions, major companies in one particular field are apparently doing so well? For the answer, one has to look at plant hire's history. For the industry is one of Britain's youngest, and also one of the fastest-growing. Before the war, plant hire was virtually unknown in this country, as it is in so many other countries indeed, even to-day. Even at the beginning of the 1960s, plant hire's annual turnover was only around £15m.; to-day the figure is perhaps nearer £450m. and still growing—and even allowing for inflation that is probably as big an increase as any sector of British industry can boast, other than a few specialist sectors.

The secret behind this is the

CONTINUED ON NEXT PAGE



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THE BUILDING INDUSTRY VIII

Less work for architects

ONE OF the major casualties of the current recession in the construction industry has been the architectural profession, where work levels are now calculated to be at their lowest point for at least ten years.

By the early part of this year, new commissions being taken on were running at over 30 per cent down on the level achieved a year earlier and, although there are no statistics available to confirm the latest position, there are few people who do not imagine that the position has continued to deteriorate since that time.

Among the most sensitive of "early warning" systems for the construction industry, the architects knew very well that the downturn was on its way but the speed and magnitude of the drop involved has taken most by surprise. The last time the profession experienced a similarly sharp cutback was ten years ago and even then it took 18 months for the figures to fall to the extent that they did in just nine months during 1974. The slide in the production drawings figures has also been substantial but started later than the fall off in new commissions.

The country's 20,000-odd practising architects are naturally not only worried about the immediate repercussions of such a worrying situation—though they are harsh enough—but about much wider implications.

Many are worried about just how permanently the nation's all-important design resources will be affected by such a marked drop in activity levels, which threatens to shut down practices and consequently lose the skills which have taken many years to build up.

Capacity

It is only two years since the profession had more work on its hands, from both the private and public sectors, than it had ever experienced before and the problems were centred on finding the capacity to cope, rather than trying to keep well-tried, experienced design teams together. But for the vast volumes of work which did arise in 1972 and 1973, some of which simply had to wait, there

is little doubt that to-day the architects would be in even deeper trouble. For it is in many cases the work left over from the last period of high activity that has kept many of them active until now.

The fall in work levels has been throughout the construction sector, reflecting the general downturn in investment and building activity in all sectors of the economy. To date, it has been the private practice, most of them very small units, rather than the "in house" operation employed by a company or in local or central government, which has felt the downturn worst of all. But now, however, even the larger, more resilient operations are finding life difficult. The trouble is that their problems only serve to make those of the small, private practice even worse, as these invariably rely for a proportion of their business on work from hard-pressed public sector design departments.

This "mixed economy" in the design field has, according to the Royal Institute of British Architects, worked well in the past, with about half of all architects employed by the nation's 3,800 private practices and the remainder for an estimated 1,500 in-house departments. Such a combination has in the past been well placed to cope with the seemingly inescapable cyclical fluctuations in demand and output which inflict themselves upon the building sector. This time, however, there are fears that such is the length and depth of the current downturn in output that things might never be the same again.

Practices are laying off staff and retiring older people early and newcomers to the profession are finding it impossible to get employment, despite their hard-earned qualifications. As many as 1,000 newly qualified entrants join the architectural profession each year but the figure has now fallen significantly and with the architects' position in the professional salary scale apparently falling further out of line, potential recruits could not be blamed for choosing another field.

As with other associated industries and professions, the

architects feel that the continuing ups and downs can no longer be accepted as a way of life and the pressure is now on for a review of the way in which both the industry itself and the Government could improve the construction sector's longer-term outlook.

In common with the rest of the industry, it has been the policy of the RIBA in these circumstances to press not only for selective reflation to increase work levels—there has been a little success here—but for a more stable pattern of workflow to be achieved and maintained in the future.

As far as the RIBA is concerned, this means that the Government must accept that the overall management of the building industry's workload is a matter in which it must be closely involved. A far more responsible approach to regularising its workload and a better understanding of just how the building sector works is seen as a vital prerequisite to any long-

term solutions to the industry's problems.

The views of RIBA on the subject have been put quite bluntly to Mr. Anthony Crossland, Secretary for the Environment. The political leverage of the building industry compared with all other major industries in the country is negligible. This has hitherto undermined all attempts to encourage successive governments to accord special or even reasonable treatment to building.

Hard times

"It's problems have seemed no greater—often less—than those of dozens of other industries experiencing hard times. However, the extreme overheating of public sector building in 1973, which was itself almost entirely a consequence of direct and indirect Government action and a trigger to other inflation made very clear that the nationally damaging results of

prolonged lack of proper handling or regard to the implications for construction programmes of policies which happened incidentally to make significant demands on the industry."

But for the moment, the architects are clearly as intent upon improving their immediate outlook to ensure that they have any reasonable future worth worrying about. Top of the list of suggestions already made with some force to the Government is that of a "moving shelf" of work, whereby design work on projects is carried on regardless of whether or not the projects involved have any slot in the building programme. In this way, say the architects, jobs can be maintained and drawings are available to be fed quickly into the production pipeline when required. The possible abortive fees incurred if these jobs never do see the light of day are, say the architects, likely to be very small compared with the inflationary effect that high demand

and limited resources may have later on.

One area where prospects do look bright is in markets overseas, where the reputation of British architects remains very high. But even here there has been criticism that while architects from other countries are jumping in to take early advantage of economic activity in certain developing areas, the profession in this country is still pondering over whether its code of conduct will permit it to play a full part in such ventures abroad.

Largely as a result of pressure from bodies like the RIBA, however, the Government has now established an exports advisory board which it is hoped will bring together the nation's design and construction resources to enable them to participate more effectively in the opportunities which are now arising in overseas markets.

Michael Cassell

effect and in July another 3.9 per cent. rise was introduced. This month's increase will add another 9 per cent. to the cost of a tonne of Portland Cement, putting its new price at about £18.70.

The recent figures from Rugby Portland Cement illustrate what has been happening. Although deliveries were well down, profits in the first half rose by 8 per cent. and third quarter figures are reported to show continuing improvement.

It is not the cement manufacturers alone who have made the best of a bad job. The brick producers too have witnessed a dramatic fall-off in demand and at one stage, earlier this year, the industry's stocks nearly reached 1bn. As with the cement manufacturers, however, the demand situation has now begun to pick up and while production remains fairly constant, stocks have been falling steadily and significantly.

The state of trade in 1974 forced London Brick to make around 2,000 workers redundant and the industry as a whole lost over 30 brickmaking plants during the year. Like the cement manufacturers, brick producers were faced with staggering increases in basic costs, and substantial price rises throughout the period were the inevitable result.

But, again like the cement sector, the outlook for bricks has taken a turn for the better, although no one is anxious to make too much of the apparent revival in fortunes. In August London Brick reported a substantial increase in half-yearly profits and said that the demand position had picked up to the extent that further expansion of output was possible.

The steady rise in the level of housebuilding activity is seen as the reason for the improved position and London Brick for one says that its stocks position is now back to normal. The company's healthy situation does, of course, to some extent reflect sizeable stock profits: nor has it had to bear the cost of running some of its high-cost manufacturing units which were closed when sales dropped.

One or two brick manufacturers have recently been expressing their faith in the longer term future by bringing new capacity on stream and showing the world they have invested in production plant which incorporates the very latest manufacturing techniques. Both Istock and Redland are among producers in this category.

The problems which the brick and cement manufacturers have met are common throughout the

materials field, from timber and glass to plastics and aggregates—how to contain costs and juggle business so as to accommodate lower volume sales. All expect the next 12 months to be a difficult period; some think worse than others.

The National Council of Building Material Producers said recently it expected the recessionary conditions to last well into next year and possibly to the end of 1976. The construction sector's output, in real terms, could well revert to the low levels of 11 years ago, the NCBMP warns.

A similar message comes from the National Federation of Builders' and Plumbers' Merchants. Its president, Mr. Reg. Williams, says the outlook looked gloomy as the winter months approach. Incomes are squeezed and public spending comes under tighter control. He adds: "Although it is tempting to think that the building slump has hit rock-bottom, we may not have felt the worst yet."

Overseas

Like everyone else in the construction world, material producers are having to take a closer and longer look at opportunities further afield, but while U.K. contracting and professional services show signs of expanding rapidly in overseas markets, trade in building materials does not seem to have recorded a similar level of success. Material exports are currently thought to be running at a creditable £300m. In the current year, but a significant proportion of this total is still accounted for by specialist constructional steelwork and there remains tremendous scope for further advances in this field.

The growing interest in foreign markets by British architectural practices could do a great deal to enhance the use abroad of U.K. building materials, and while direct export of many products does not in many cases present a viable proposition, the moves towards establishing overseas manufacturing operations and the spread of licensing agreements should provide a major boost for international sales.

There is no doubt that the next two years will quite literally be "make or break" for those who supply the materials to do the job. For experience in dealing with major cyclical swings will stand the materials manufacturers in good stead but 1976 could prove to be the supreme test for many of them.

Michael Cassell

Materials suppliers

TO THE building material producers the problems of the past two years have been all too familiar. From a position of full output and steadily lengthening delivery times, they have once again witnessed a major downturn in construction output which has thrown most of their plans into reverse.

The abandoning or postponement of expansion programmes in favour of necessary rationalisation and redundancies has been the picture throughout many of the supplier industries, and once again manufacturers feel that their ability to cope with the next major upturn—whenever that may be—will have been seriously impaired.

Experiences during the present difficult times have differed substantially, but the suppliers generally reckon that it is about time greater attention was paid to organising a more stable flow of work for an industry whose

boom-slump cycle has become notorious and far more accentuated than in other comparable economies.

Among suppliers of major construction materials, the cement manufacturers have had what can only be described as a rather interesting two years. Having weaved their way carefully through a difficult period when the long-established common pricing agreement was outlawed by the Price Code, the manufacturers are once again operating in the style which suits them best and which, they emphasise, is in the best interests of their customers.

While sales to the stagnating industry have been falling throughout the past two years, an unprecedented wave of price increases has kept the industry's performance brighter than in many other sectors.

In 1974, deliveries slumped by around 12 per cent. compared

with the preceding year and production fell by over 2m. tonnes to under 18m. tonnes. The inevitable round of closures and redundancies followed.

Cement

By the beginning of this year, with no sign of an end to the construction slump and in fact every indication that it could get worse before it got better, cement manufacturers were privately predicting that deliveries this year could be down by as much as 10 per cent. on 1974. Their worst fears were not, however, confirmed and up to September last deliveries were running at around 6 per cent. below the previous year. Since then the situation has improved and are thought to be running a still further and deliveries now little over 5 per cent. down.

The industry is naturally heartened by any sign of an

improvement but there are few manufacturers who have yet ventured to say anything encouraging about 1976. Predictions vary but companies seem to be expecting a further fall of around 3 per cent. in deliveries next year.

But while sales drop, prices have continued to soar. Earlier this month the Cement Makers' Federation, which played a major part in getting the industry's common pricing agreement restored, announced another round of price increases, the sixth since May, 1974.

Most of last year's increases were, as for many other manufacturing industries, triggered off by massive increases in fuel costs. In 1974 customers faced price rises in May, September and December, raising the cost per tonne to nearly £18. In March this year, an additional 18 per cent. increase came into

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A women's industrial revolution ahead

By JOHN ELLIOTT, Labour Editor

SEVEN weeks time, on the new Employment Appeals Tribunal (EAT) which the Government will set up during the next couple of months under the Employment Protection Bill. The full extent of women's rights will, therefore, be painfully built up by case law, possibly necessitating a special Amendment Bill within a couple of years.

At the same time as industry starts to assimilate the possible implications of the new laws on women, it will also be grappling with the provisions of the Employment Protection Bill, also expected to gain Royal Assent this week. This Bill's provisions will be introduced over a longish period—perhaps as much as two years—in order to spread the cost of some of its provisions on subjects such as guaranteed weeks and maternity benefits. But, despite this lengthy timetable, some less costly provisions, such as unions recognition and arbitration rights, will be introduced quickly and a Central Arbitration Committee set up, linked to the Advisory Conciliation and Arbitration Service. This will radically change the employment policies of some companies and is causing increasing concern among personnel managers about the increasing number of statutes encircling their day-to-day work.

The Equal Pay Act was introduced by Mrs. Barbara Castle when she was Secretary for Employment and Productivity. Since it received the Royal Assent, employers have been up and downed by the fact that pieces of legislation have been extremely loosely drafted, and many details intentionally vague. As a result, precisely where it is or is not intended to apply, some companies are not sure, and where it is or is not intended to apply, some companies are not sure, and where it is or is not intended to apply, some companies are not sure.

Vague

The problems, for both employers and unions will be compounded by the fact that pieces of legislation have been extremely loosely drafted, and many details intentionally vague. As a result, precisely where it is or is not intended to apply, some companies are not sure, and where it is or is not intended to apply, some companies are not sure, and where it is or is not intended to apply, some companies are not sure.

Squeezed at both ends

Professor G. Haselden, in my job I walk a tightrope in trying both to draw able people into chemical engineering, with the rigorous rise that it involves, while on the other hand being fair to my own people. The job which will be called upon to do, recently, I received a job in the form of a letter from a former student. I quote: "I spent the last ten years in the industry and during time I have experienced considerable frustration with dogmatic union representatives and management in senior positions who could not, or would not, even see problems, let alone any sensible suggestions for their solutions. One of the two main problems, I would say, that undoubtedly was the most disturbing, I have come to expect some degree of hostility from unions, but could not equate my own mind the fact that management would freely not support the middle management of which I was a member, in times of crisis. This particularly applied to time at one organisation where I and the other plant managers on the site came to a conclusion that it was the stewards who were in charge of the factory and the management managed only with permission. This situation was intolerable to many of my colleagues both in technical department and plant management. The result was that the same time as I left three or four qualified chemical engineers went to work abroad, and the ones who left the company were the best. I was lucky when I left in that I was able to move one rung higher at another plant. Here the problem was nothing to do with the union—in fact, the union was in this respect very cordial—but exclusively a senior management. Rarely there any clear-cut policy statements made, with the result that the company seemed to be in a crisis in crisis both technically and also to some extent commercially. I could not understand this because the company was small and its management were resident on site."

ucky

The pitiable thing about the situation is that I have enjoyed very much enjoying the many and varied problems that come up in this and I am very sorry to be leaving the industry as now from my own experience I can contribute a lot. I know, however, that king long hours, which are appreciated by management and minor levels, belligerent trade union attitudes, and lack of management decisions make the industry a very unpleasant place in at the present time. Of course the situation is not typical of the whole chemical industry, neither restricted to it. It is a case which afflicts a wide range of manufacturing and production enterprises, both private and public, and is a case which afflicts a wide range of manufacturing and production enterprises, both private and public, and is a case which afflicts a wide range of manufacturing and production enterprises, both private and public.

Partly in order to delay the increased costs for as long as possible employers were slow to move in the first couple of years, but now they have accelerated and there seems to be no sign of major problems. In 1970 many employers complained loudly about the cost of equal pay—forecasting that it would add up to 30 per cent, or more to some company's wage bills. That figure looked astronomical at the time, but it strikes less horror now and few employers are making it an issue.

The basic difference between the two new pieces of legislation is that the Equal Pay Act deals with contractual matters—that is matters contained in individuals' contracts of employment, which will very often coincide with matters negotiated between unions and employers. The Sex Discrimination legislation, covering education and the provision of goods and services as well as employment, is involved with non-contractual, discretionary matters.

The first equal pay requirement, that men and women should be paid the same for "work of the same or broadly similar nature," is extremely vague, but basically covers work which does not contain any frequent differences of practical importance. This is intended to be fairly restrictive, but clearly is open to widely varying interpretations—especially in clerical employment where a clerk's job could lead to all sorts of problems because equal pay can straddle departments within associated establishments.

The second requirement is that women given equal rating under a job evaluation scheme must be treated equally—a provision which sceptics believe could lead to a lot of inequality through skilfully designed evaluation exercises. The third is that, from the day of implementation, when specific men's or women's pay rates should disappear, labour agreements specifically applying to men or women can be referred to the Industrial Arbitration Board (and subsequently to the Central Arbitration Committee when it is set up under the Employment Protection Bill). The Board will amend the agreement where necessary, by striking out the lower pay rate—so raising the women to the higher rate. This could prove expensive for employers and is intended to induce them to sort their agreements out first without the Board's intervention.

WHAT THE NEW LEGISLATION REQUIRES

EQUAL PAY ACT 1970

The same rate of pay and other conditions of employment should be paid to men and women who:

- are doing the same, or broadly similar work for the same or an associated employer;
- are doing jobs which, though maybe different, have been given an equal value under a job evaluation exercise;
- receive a statutory arbitration award removing discrimination in a collective agreement, an employer-imposed pay structure, or a statutory wages order.

SEX DISCRIMINATION BILL

An employer must not discriminate on grounds of sex or marriage in:

- access to jobs, including job advertisements;
- opportunities for promotion, transfer, training or other benefits;
- dismissal from employment—unless sex is a genuine occupational qualification for the job.

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Individuals can complain of unequal pay to Industrial Tribunals—which are being expanded from an existing tribunal panel membership of 1,500 to up to 2,500 to cope with the work load—and then appeal to the proposed EAT. At the tribunal hearing it will be up to the employer to prove that she is doing equal work. Once

losing their jobs at the moment and will be vying with each other for re-employment when the hoped for economic upturn comes. This could even lead to men trying to gain jobs hitherto held by women. Equally, women, faced with a shortage of house-keeping money, may be more aggressive in seeking work—especially when there has been a sharp drop in part-time employment.

The discrimination legislation covers actions which might be "deliberate"—a word which is not clearly defined in recruitment, treatment while in a job, and the way you leave it, apart from death or retirement. Exceptions are laid down as "GOGs"—Genuine Occupational Qualifications—and apart from where these apply, a person's sex should be no barrier to employment, even if an occupation is usually single-sex.

Coal miners are specifically excluded, while the introduction of male midwives has been carefully circumscribed. Different GOGs also cover, for example, singers and actors, masseurs and lavatory attendants, those working on ships and remote construction sites, those in single sex prisons and hospitals, those on night shifts (under a Factories Act requirement which is now to be reviewed), and those who part work abroad—say, as an engineer in Saudi Arabia—where women could not effectively do the job.

Complaints can be made through the industrial tribunals although, contrary to trade union hopes, the burden of proof will fall on the worker, who will have to prove discrimination instead of merely making an accusation against an employer.

There is also a new Equal Rights Commission, with very

wide powers, to "work towards new legislation by giving free and access and promotion (with one or two exceptions such as the miners) and then to encourage women to play a more active part in union affairs."

Many employers may nonetheless successfully ignore and bypass the legislation, either through ignorance of its complexities or through design. At the same time many male-oriented union officials may not be too energetic about pushing women's rights. Individuals themselves may not be too anxious, especially at a time of rising prices and increasing unemployment, to upset the stable employment conditions they already have. Without rigid "quota" systems, such as those in the U.S. where companies have to employ a certain percentage of women, it may also be easy for employers to design special criteria to keep either men or women off a certain job—and then to fix the wage rates accordingly.

Trade union attitudes will be important here. A TUC survey a few months ago showed that, although one-third of the 10m members in TUC unions were women, they were under-represented at virtually every level of voluntary and full-time union office: in 62 unions replying to a TUC questionnaire, there were only 71 full-time women officials compared with 2,259 males. Believing this was due to general factors rather than positive discrimination, the TUC has advised unions to first to fall into line with the

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Opportunities

The TUC has also taken two other significant steps. It has drawn up an "equal opportunities clause" to be inserted in labour agreements, and has circulated this to its unions—some sceptics say as much to generate some interest in the issue at grass roots level as to put pressure on employers. This clause commits the parties to the agreement to "promote equal opportunity in employment regardless of workers' sex, marital status, creed, colour, race or ethnic origins"—so anticipating further legislation in the racial field as well as dealing with sex discrimination. To deal with this broader front, the TUC has also set up an Equal Rights Committee. This holds its first meeting soon and will, TUC leaders hope, reflect a slow but steady change of view among members of the TUC general council in recent years on the need to help disadvantaged groups as well as the powerful.

But union leaders are very much aware that they are well ahead of the thinking of their members, whose brotherhood has been sorely strained when immigrants are in a position to take well paid and comfortable jobs and will now, almost certainly be so again when women have equal rights. Against this background, it remains to be seen how quickly the TUC has advised unions to first to fall into line with the

Attitudes

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Letters to the Editor

are increasingly making the task of middle management intolerable to the point of resignation. These facts must be faced. G. G. Haselden, Dept. of Chemical Engineering, University of Leeds, Leeds.

England and Kilbrandon

From Mr. J. Tripp. Sir, The boundaries of the English regions as drawn in the minority report in Kilbrandon are purely arbitrary. They run without regard to tradition, culture and economic affinity and though vestigial memories of ethnic origin, their only virtue can be to establish a principle and perhaps stimulate people with well developed provincial loyalties to further their case—but any belief that such boundaries delineate real provinces would be highly dangerous. Fears are expressed that devolution will lead to a fragmentation of the United Kingdom to the detriment of its people's mutual prosperity and influence. I hold the contrary view and believe our people would acquire reinvigorated morale as a result of the fresh sense of purpose and identity. This cultural release could in fact fill the void resulting from Britain's loss of empire and requiring a new role which bulks so large as a factor in our present malaise. An easier integration into Europe could also be facilitated—an integration to which the excessive and debilitating centralism of the 20th century nation states runs counter. As in the past, political ideas and trends emanating from these islands have been copied in Europe and the practice of devolution in even more centrally inspired countries such as France would be to ensure that the Europe of the next few decades has an exciting and enriched society. There are people in England who continue to identify with the ancient provinces of Anglia, Mercia, Northumbria and Wessex and these seem to me the natural candidates for power devolution—in combination of course with the metropolitan area of London. J. F. Tripp, 8, The Lees, Sedgfield, Stockton, Co. Cleveland.

TV and social policy

From Dr. P. Draper. Sir, I write to express my appreciation of Chris Dunkley's critical but constructive comments (November 5) about the new BBC1 current affairs programme *Tonight*. For those interested in the public discussion of issues of social policy, the five *Tonight* programmes on the National Health Service afford a useful illustration of two general problems. Chris Dunkley rightly drew attention to the unhelpful character of programmes like these which stage confrontations partly in an attempt to achieve balance. The first point I wish to make is that this kind of broadcast is almost inevitable given the present structure of TV news and current affairs programmes. To put the point dogmatically, the programme makers can only be informative and conclusive if they know what they are talking about. Typically, they do not. In the expertise of people who work on issues of health policy, the TV producer or research assistant who decides to investigate such an issue usually knows almost nothing about the subject—and is forced to cost the brink of national insolvency, but they

But it is unreasonable to expect the programme makers to know more when last week the concern was the Middle East and next week it will be investment. The in-house resources for keeping abreast of issues of home and foreign policy are fragmented and far too weak.

The second point I wish to make is that the *Tonight* programme is broadcast too late for the convenience of many. I found many potential viewers of these NHS programmes who had decided that viewing from around 10.30-11.00 p.m. was out of the question. If the governors of the BBC and the members of the Independent Broadcasting Authority judge that this country is in some kind of crisis—be it economic, social, political, moral, or a combination of these—they have yet to show that TV resources and programme planning in any way match up to the seriousness of the situation. Is it too much to expect at least an evening of week of conventional viewing time on all channels to be devoted wholly to serious issues?

Finally, it would be churlish not to note that in the last two years BBC TV has done much more than previously to open up issues of health policy. These remarks should be interpreted as an exhortation to the BBC, the IBA and the commercial companies to build on these foundations. Peter Draper, Unit for the Study of Health Policy, Department of Community Medicine, Guy's Hospital Medical School, St. Neave Common Street, S.E.1.

Elimination of smallpox

From Mr. A. Mackay. Sir, I read, recently, that a campaign by the World of Health Organisation has eradicated smallpox throughout the world, except for Bangladesh and an area in Ethiopia. Provided none of such emigrants are permitted to land elsewhere without a period of quarantine, why are so many of us in the United Kingdom and throughout the world, still required to obtain a vaccination certificate every three years if one wants to travel abroad. Mine is due for renewal soon. I realise it is a nice added source of income for doctors, but it also means added attendances in overcrowded surgeries, and a job for a council employee to authenticate the doctor's signature. Has anyone seriously considered: "Are these two journeys to the doctor and the council offices really necessary?" A. G. A. Mackay, 37, Park West, Marble Arch, W.2.

Productivity techniques

From the Managing Director, Systemshare. Sir, Mr. E. A. King (November 6) takes issue with my statement that existing productivity techniques are in need of further development. I agree that many techniques now exist but am far from satisfied that they leave no room for improvements. Certainly in the field of production management and control, in which my company is currently deeply involved, we see a real need for better and more realistic systems. What is important, however, is that I think we would both agree that the techniques are either available now, or could be made available fairly quickly. I fully accept his point that what

Machine, tool frustration

From the Production Director, Peter Brotherhood. Sir, Mr. Mortimer (November 5), referred to the extended deliveries being quoted by the machine tool industry which is working to 30 per cent capacity. When order books are full everyone is secure and overtime and extra effort are readily expended. Quotations for delivery are given at these times based on the capacity of the factory working in this way. When order books shorten everyone begins to feel insecure, overtime is restricted on a usually arbitrary basis; the capacity of the factory, and particularly specialised sections of it, is reduced, and the delivery quotations already given become inappropriate. How does one persuade a person that he should work himself out of a job in the short term so as to secure his long term future? P. R. Browne, Lincoln Road, Peterborough.

Saving heat

From Mr. J. Sumner. Sir, Mr. Byrne's letter (November 1) emphasises, very properly, the need for the Central Electricity Generating Board to maximise the energy available from each pound of fuel which it burns. He refers to the need to increase the energy output from 40 per cent, to 80 per cent of the energy originally available in the fuel. For at least 15 years I have been purchasing from the CEBG electrical energy which represents about 334 per cent of the energy in the fuel burned. By using a fully instrumented and monitored heat pump which provides energy equal to three times the value of the energy purchased and used in the electric motor which drives the heat pump I have been able, over this long period, to heat my home with 100 per cent of the heat originally available in the fuel burned by the CEBG to supply me with energy. Yet despite this 15 year open record, and despite the seriousness of our disease the waters of Abana and Pharpar are still preferred. John Sumner, 28, Camberley Road, Norwich.

Beer at £1.50 a gallon

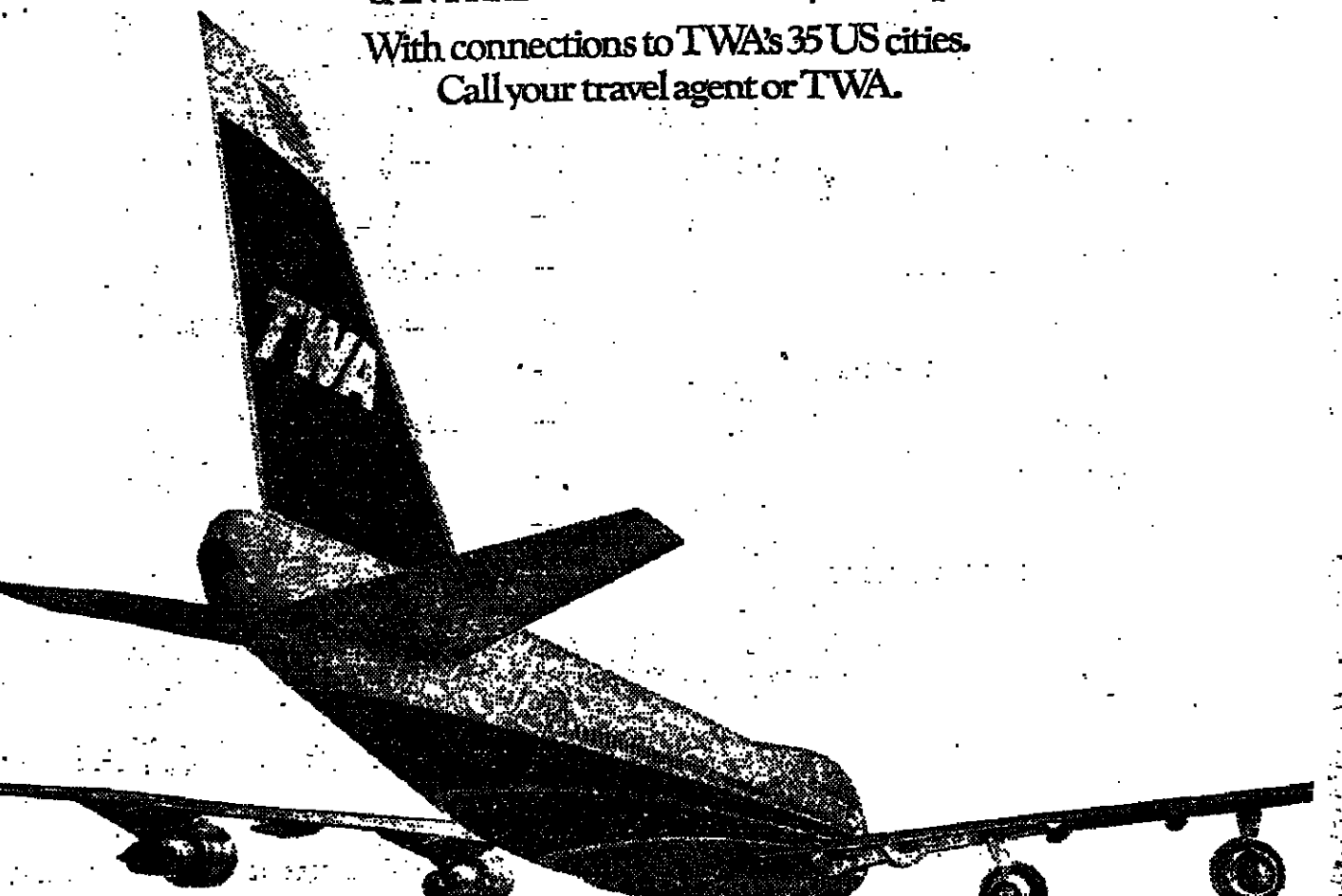
From Mr. H. Cole. Sir, We now know that milk can be cheaper than water. But it is realised just how expensive beer is? The price is now about £1.50 a gallon. Take away the duty and it still costs more than petrol—with its excise tax of 22½p and 26 per cent VAT. It is rather more than extraordinary that it should cost more to get a gallon of beer—made from home-produced ingredients and by an essentially simple process—into a drinker than a gallon of petrol—which has to be extracted and then put through a complex of refining and transport operations—into a car. Harvey R. Cole, 3, Clifton Road, Winchester.

To-day's Events

- GENERAL**
Prime Minister speaks at Lord Mayor's Banquet, Guildhall.
European Central Bankers begin two-day monthly meeting, Basle.
SEC Council of Agricultural Ministers begins two-day meeting, Brussels.
Mr. Peter Shore, Trade Secretary, continues visit to Mexico.
Mrs. Margaret Thatcher, Opposition leader, speaks at local Conservative Party rally, Fairfield Halls, Croydon.
Junior doctors' ballot papers due to be returned.
Junior doctors in North-West hospitals begin overtime ban.
Sir William Batty, president, Society of Motor Manufacturers, speaks at Scottish Motor Show dinner, Glasgow.
- COMPANY RESULTS**
Acrow Engineers (half-year).
Lucas Industries (full year).
Rothschild Investment Trust (half-year).
- COMPANY MEETINGS**
See Week's Financial Diary on page 28.
- EXHIBITIONS**
Mr. Elliot Richardson, U.S. Ambassador to Britain, and Lord Goodman, chairman, Newspaper Publishers Association, open American Printing and Graphic Arts Exhibition, U.S. Trade Centre, 4-5, Langham Place, W.1.
Automated Production Exhibition and Electrical Engineering Exhibition open, Belle Vue, Manchester.
International Caravan and Camping Show continues, Earls Court, Scottish Motor Show continues, Kelvin Hall, Glasgow.
- OPERA**
Royal Opera production of Un ballo in maschera, Covent Garden, W.C.2, 7.30 p.m.
- MUSIC**
Viktor Szev gives piano recital of works by Beethoven, Bartok and Ravel, St. Lawrence Next Jewry, Guildhall, E.C.2, 1 p.m.
London Woodwind Quintet plays works by Dant, Arnold, Barber, Durko and Taffanel, Purcell Room, S.E.1, 8 p.m.

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COMPANY NEWS

Fitzwilson sees heavy fertiliser losses

CURRENT indications are that 1975-76 is going to be a most difficult year for the Fitzwilson group, with the dominant influence on results being the fertiliser division, the directors state.

That division is likely to incur heavy losses. Plants in Dublin and Cork have been out of operation since mid-July. It is hoped to have both back in production shortly but this is dependent on large-scale reductions being agreed with the relevant unions. "This scale of economic operation is essential if economic operation is to be achieved."

There is reasonable hope that demand for fertilisers on the Irish market will show a distinct improvement. However, there appears to be little or no potential as regards exports.

The other main divisions in Ireland continue to experience very difficult trading conditions. While the construction side is likely to show some advance it is unlikely that the others will show any improvement on their performance in the half year.

The pharmaceutical division in the U.K. is continuing to make strong headway.

The U.S. associate, National Mine Service Company, continues to go from strength to strength and is expected again substantially to increase its contribution to the group.

The directors stress, however, that while the short-term outlook is bleak, the group has a solid foundation, as quoted in its annual report, of £20.32m, in interest charges.

Total borrowings will be reduced during 1975-76 to ensure a sound base from which to exploit the upturn in the Irish economy when it takes place.

As reported on October 18, pre-group profit for the year ended June 30, 1975, contracted from £3.46m, to £1.71m, and the dividend is cut to 3.25p (3.5p).

Despite adverse factors, the group made outstanding progress in the U.S. and its trading subsidiaries also recorded satisfactory performances. The benefits of these trading results, however, were more than offset by a rise in interest charges.

The final outcome to the year was exacerbated by a severe drop in volume demand for phosphate and potash fertilisers in the Irish market, and by related and unexpected substantial collapses in the previously buoyant export market for these products.

The directors intend repaying the outstanding £30,935 of 44 per cent debenture stock at par. Meeting, Dublin, December 1 at noon.

See Men and Matters Page 14

No Kynoch dividend

Woolen cloth manufacturers, G. and G. Kynoch reports an increased pre-tax loss of £85,407, against £33,358, for the year to August 31, 1975. At midway the loss was £40,381 compared with profits of £39,594.

Full year turnover fell from £266,325 to £171,570. The loss for 1974-75 was struck after an exceptional wool stock provision of £59,148.

After a tax credit of £26,913 (£7,287), the loss per 25p share for 1974-75 is shown as 7.6p (5.3p). There is no dividend against a single interim payment of 1p net.

The company has continued to suffer from a continued and world-wide depressed level of demand for wool products, say the directors, and prospects of an early recovery are not yet sufficiently encouraging to enable them to recommend a final dividend.

It is hoped, however, that by next April when the half-year results should be announced, there will have been a sufficient upturn in orders from export customers, on whom the company largely depends, for the payment of an interim to be considered.

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S. Casket confidence dampened

Future results of clothing manufacturers, distributors and retailers, S. Casket (Holdings) will be dependent on the company getting its deliveries from the Far East and whether or not its new U.S. manufacturers can produce sufficient quantities to meet demands at competitive prices, chairman Mr. P. Casket tells members in his annual report.

He says that it is not possible to make any concrete forecast of profits for the current year but sales to date are running above last year's record levels and the order book stands at an all-time high.

"We were certainly hopeful of having an extremely good first six months' profit, but this forecast was in September affected by yet another change in the legislation relating to imports from the Far East," he adds.

As reported on October 18, pre-group profit for the year to June 30, 1975, expanded from £0.81m, to a record £0.91m. The dividend total is effectively raised from 1.6484p to 1.7548p net.

Caution at F. C. Finance

In his statement accompanying the first half 1975 results of F. C. Finance, Mr. A. Siggins, the chairman, says at this point in the second half the general economic situation is still causing activity in the consumer credit field to remain at a low level.

For this same reason, group commitments, particularly in the housing and property markets, are also not being extended for the present.

But steps are being taken to improve the administrative controls over new business and collections and to strengthen the staff in readiness to take advantage of the opportunities that will arise when business returns to more normal levels, he declares.

As known group pre-tax profit for the half year decreased from £0.72m, to £0.57m, and payment of an Ordinary has been deferred until the year's results are known.

Funds employed decreased from £22.49m, to £20.12m, after deducting current liabilities, other than borrowed money, of £0.92m. (£1.03m.) and unrealised finance charges of £3.17m. (£3.57m.). They include loans £19.32m. (£21.92m.) and hire purchase and other in-advance credit accounts £26.53m. (£25.89m.).

Acceptances total £3.9m. (£4.6m.), amounts advanced by holding and fellow subsidiaries £19.99m. (£10.75m.), and deposits £22.1m. (£31.21m.).

B. S. Whiteley set back

First half (to September 30, 1975) pre-tax profit of B. S. and customers, on whom the company largely depends, for the payment of an interim to be considered.

Figure for the year to March 31, 1975, was £1.71m, and the dividend is cut to 3.25p (3.5p).

Despite adverse factors, the group made outstanding progress in the U.S. and its trading subsidiaries also recorded satisfactory performances. The benefits of these trading results, however, were more than offset by a rise in interest charges.

The final outcome to the year was exacerbated by a severe drop in volume demand for phosphate and potash fertilisers in the Irish market, and by related and unexpected substantial collapses in the previously buoyant export market for these products.

The directors intend repaying the outstanding £30,935 of 44 per cent debenture stock at par. Meeting, Dublin, December 1 at noon.

See Men and Matters Page 14

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Scottish Utd. Investors progress

GROSS REVENUE for the nine months ended September 30, 1975, of Scottish United Investors increased from £2,031,574 to £2,217,435, after £1,535,947, against £1,544,774, for six months.

Net revenue after management expenses, depreciation and loan interest and tax for the nine months was £385,926, against £377,515.

The net asset value of the 25p Ordinary shares based on market values of investments and after deducting prior charges at par, was £57.64m. (£54.62m.) and the net asset value per share 51p (49p).

Where applicable, the dollar premium of 54p per cent, on September 30, has been added to the value of investments and unrealised foreign currency. The amount added is £13.04m. (£8.83m.).

FT Share Information Service

The following securities have been added to the Share Information Services appearing in the Financial Times:

Example Plantations and Investments (Section: Teas-India and Bangladesh). Single Holdings (Section: Teas-India and Bangladesh).

Consolidated Plantations group

Consolidated Plantations states that the following wholly-owned subsidiaries of the company were placed in voluntary liquidation on November 1.

Merliman Pegoh, Perak Oil Palm, Trail Ayr Rubber Estates, Tennamaram Palm Oil, Concol dated Malay Rubber Estates, Tritis Rubber, Craigielea Rubber Plantations, and Consolidated Salak Rubber Estates.

Wilkinson Sword

Wilkinson Sword GmbH reports that in the year ended March 31 last rose to DM40.6m, from DM37.3m, in the

pre-tax profit of £225,000. Although this represents a reduction on the previous year, shareholders will recognise the underlying strength within their company and I am sure would join with me to thank all our employees for their efforts. In all the circumstances shareholders will appreciate that it would not be appropriate to pay the same dividend as last year and we are therefore recommending a final dividend of 0.35p per share, making a total of 0.70p per share for the year as a whole.

During the last year considerable progress has been made with re-equipment and this modernisation programme was only possible through the continuing support of our bankers; in fact our expenditure on plant and equipment was some £400,000 in excess of the depreciation charged against profits.

It is our intention to continue with this modernisation policy so that, although the economic situation is uncertain, your company will be ready to take swift advantage of the next upturn in trade.

Gratseley Hill Wolverhampton WV3 0DJ

Chairman's Statement

The following is the text of the Statement by the Chairman, Mr. Alan M. Wheeler, for the year ended 30th June 1975, which has been circulated to shareholders.

As indicated to you at the half year, the last six months proved particularly difficult but your Board took action to contain the situation and the outcome for the year was a pre-tax profit of £225,000. Although this represents a reduction on the previous year, shareholders will recognise the underlying strength within their company and I am sure would join with me to thank all our employees for their efforts. In all the circumstances shareholders will appreciate that it would not be appropriate to pay the same dividend as last year and we are therefore recommending a final dividend of 0.35p per share, making a total of 0.70p per share for the year as a whole.

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Mr. Bernard Scott, chairman of Lucas Industries, who is due to announce to-day his group's preliminary figures for the year ended July 31, 1975.

H. Smith turns in £239,000

GROUP PROFIT, before tax, of Herman Smith amounted to £239,947 for the year to June 30, 1975, against a forecast of not less than the previous year's £213,190. At the 25 weeks' stage profit was down from £102,437 to £54,193.

Reflecting a substantially reduced tax charge stated earnings per 10p share for the year increased from 1.57p to 3.07p. The dividend is raised from 0.38p to 0.39p, net with a final of 0.164p (0.153p).

Aurora growth policy

ALTHOUGH in the year ended June 30, 1975, Aurora Holdings (general engineers) effectively sustained its trend of improved profits and cash flow, "we are by no means satisfied," says the chairman Mr. R. Atkinson.

The intention is to pursue the policy of strengthening the group by planned organic growth, rationalisation, and improved directors continue to seek suitable acquisitions and to improve the reliability of earnings by export and possibly further overseas involvement.

"We attach great importance to sustaining cash flow and to an improvement in both the quantity and quality of assets," Mr. Atkinson states.

At June 30, 1975, net tangible assets had increased from £15.8m, to £25.5m, with borrowings halved to £1.9m.

There has been a significant improvement in liquidity resulting from the rights issue, trade investments realised, the sale of a steel stockholding department and certain small and unrequired properties.

There was a £1.9m. increase in cash resources, compared with £1.85m. decrease.

Group profit for 1974-75 came to £138m. (£137m.) as reported on October 3 with the 0.78p (0.77p) dividend. Adjusting for inflation the profit is £1.7m, and total equity interest £3.54m. (£2.57m. historical).

Directors' remuneration includes £7,000 compensation for loss of office.

Meeting, Sheffield, November 27 at 12.30 p.m.

'Revival' at Change Wares

MR. A. CRANE, chairman of Change Wares, says the group is well placed to survive these hard times and to benefit from the upsurge in the economy which he believes must surely follow.

This year he is sure that the company is headed for "revival" as all efforts are directed towards developing the potential of individual companies and the search for greater efficiency. The increasing range of products ensures a broader base upon which to build the company's future, Mr. Crane comments.

In the year ended June 28, 1975 group sales were £3.4m. (£2.9m.). Profit £1.8m. (£1.7m.). At October 13, Jordan Holdings held 10.3 per cent of the company's stock. Meeting Winchester House, E.C., November 28 at noon.

B. & S. MASSEY

The directors of B. and S. Massey and Sons, a subsidiary of Head Wrightson, are proposing to the holders of the £232,500 of 7 per cent debenture stock 1982-1987 that the stock should be repaid at £50, together with accrued interest.

RESULTS AND ACCOUNTS IN BRIEF

ACORN SECURITIES—Gross revenue £40,599 (£34,200) and payment to holding company for group result £10,800 (£12,051). Income £29,798 (£22,149) before tax. Current assets £138,781 (£130,341). Net current assets £138,781 (£130,341). Current assets £138,781 (£130,341). Net current assets £138,781 (£130,341).

W. C. FRITH AND COMPANY (managers and converters of aluminium foil)—Pre-tax profit £23,541 (£23,541). Current assets £138,781 (£130,341). Net current assets £138,781 (£130,341).

HORME BROTHERS (clothing)—Turnover for 28 weeks to August 16, 1975 £138,781 (£130,341). Pre-tax profit £23,541 (£23,541). Current assets £138,781 (£130,341). Net current assets £138,781 (£130,341).

JOSEPH POLY AND SONS (spunners and manufacturers—subsidiary of Lister and Co.)—Dividend 11.25p net (£2.5). Current assets £138,781 (£130,341). Net current assets £138,781 (£130,341).

EDWARD JONES (CONTRACTORS)—Group profit half year to June 30, 1975, £1

MINING NOTEBOOK

Hoogovens interest in Sidal

By Michael Van Os

SIDAL-THIE large Belgian group, producer of semiconductors and electronic products, is based in and has a direct majority interest in Belgium, the Netherlands, the Dutch arm of the steel group, and Bilfinger & Berger, the Shell Dutch metals supply subsidiary. The French aluminium company, Pechiney Unie Kulkunne, will retain its 38.5 per cent share in Sidal with the remainder of the share acquired by the French parent indirectly from Belgian interests.

Sidal had pre-tax profits of 1.858.5 m. in 1974 and the current year's sales are put between 400-500 m., of which around 200 m. is exported with the rest taking place in Belgium. The company's headquarters office is in Brussels and it has offices in Belgium in Duffel and Burchard and sales and service offices in a number of European countries. Sidal has about 2,000 employees.

A spokesman for Estel said in Amsterdam that in coming winter

A spokesman for Estel said in Arnheim that, in common with the steel industry, business has been "difficult" in the aluminum industry. But there has been a clear rise in income orders at Sidal in the second half of the year although prices

ZURICH, Nov. 8.

In the past zone, is expected to meet turnover and profit expectations over the rest of the year. For other producing subsidiaries and participations, financial results are below expectations, due primarily to the unsatisfactory development of series-product sales.

For the group as a whole, the volume of orders received in the first three quarters of 1975 was above that for the same period of last year, due in particular to the success in the plant construction field. Demand for group products is said to have been ten per cent higher in the last quarter. Despite this favourable overall development in order flow, the group is said to have been affected noticeably by the recession in the world economy, particularly on the domestic market. This is hurting the subsidiaries. Export business, however, increased considerably. A specially positive element being orders from oil-producing areas.

[illegible]

Pretabail dividend plans

	Sept. '75	Aug. '75	July '75	Sept. '74	% change on year earlier
Japan	112.8	111.2	112.9	120.2	-6.5
Germany	103.2	90.9	87.6	112.5	-8.3
Holland	109.0	97.0	91.0	115.0	-5.0
U.S.	116.2	112.9	110.8	125.6	-7.5
Italy	117.6	58.9	116.3	130.1	-9.6
U.K.	Aug. '75 99.1	July '75 100.0	June '75 99.5	Aug. '74 106.9	-9.0
France	July/Aug. '75 910.0	June '75 112.0	May '75 109.0	July/Aug. '74 124.0	-11.3
Belgium	July '75 113.6	June '75 114.7	May '75 116.2	July '74 120.5	-5.7

By Rupert Cornwell

PARIS, Nov. 9: RETABAIL-SICOM, the property leasing company which ran into severe financial difficulties last year announced today that it plans a dividend for 1973 of Frs.21.24 per share, compared with a payment of Frs.25.250 for 1973.

However, the company warned that this dividend is subordinate to a settlement of outstanding debt repayments due, which exceeded last year's net profit of Frs.33.7m.

INSURANCE

Increasing crime losses

Bank of England Minimum Lending Rate 12 per cent. (since October 3, 1975)

Short-term fixed period interest rates continued their recent easier trend last week. The one-month sterling certificate yield fell to 11½-11¾ per cent. from 11½-11¾ per cent., the three-month to 11½-11¾ per cent. from 11½-11¾ per cent., and the 12-month to 11½-11¾ per cent. from 11½-11¾ per cent.

Day-to-day credit was in short supply in the London money market on Monday, and the authorities bought Treasury bills in large amounts of Treasury bills and Corporation bonds. A small surplus of funds on Tuesday and Wednesday was absorbed by the official sales of Treasury bills.

On Thursday and Friday the authorities bought small amounts of Treasury bills to avert the shortage of funds.

At the weekly Treasury bill tender the average rate of discount fell by 0.1207 per cent. to 11.2896 per cent.

The U.S. dollar was generally firmer in the foreign exchange market last week, following indications that a fall in the value of the dollar was being averted by certain European authorities, and that central banks are prepared to support the U.S. unit at around 2.20 per cent. parity. There was no large scale support evident last week however, but the sentiment created was sufficient to prevent the lower rate of interest from being the continuing pressure of New York from weakening the dollar to any large extent. The dollar's long-sighted recovery began to show signs of improvement since the Washington Currency Agreement, as calculated by Morgan Guaranty of the York, finished at 2.78 per cent., compared with 2.31 per cent. previously.

RETAIL-BAK-SOUMI, the private leasing company which has moved into severe financial difficulties last year announced today that it plans to liquidate for 1979. The company's common stock, priced at Frs. 21.24 per share, compared with a payment of Frs. 25.250 for 1978.

However, the company warned that this dividend is subordinate to a settlement of outstanding payments due, which expected last year's net profit of Frs. 33.7M.

Prices

Sterling remained fairly steady in the morning, but then it showed an easier trend in general. The pound's trading was weighed average depreciation against the Washington Currence agreement, as calculated by the market, was 2.50 per cent, or 28 per cent, over the previous Friday. Sterling lost 35 points against the dollar and finished at \$2.0645-\$2.0653. The pound's point touched was \$2.0620, and the dollar's point touched \$1.0620 during dealings on Monday. Sterling lost 10 points, and the dollar's point touched at \$2.0615-\$2.0625 on Thursday. The pound's discount on the three-month forward market narrowed to 2.40 cent premium from 2.55 cent premium on Wednesday and continued to improve in the "early part of Thursday," but eased back as a result of profit-taking. Traders however remained fairly subdued.

[illegible]

EXCHANGE CROSS-RATES							
Nov. 7	Frankfurt	New York	Paris	Buenos Aires	London	Antwerp	Zurich
Frankfurt		2,650-662	44.80 37	6.61-83	2,225-503	91-28-46	47.20-55
New York	32.90-30		22.84-87	2,550-77	2,253-093	71-33-56	37.42-45
Paris	73.00-00	4,360-1752		11.57-50	2,253-093	71-33-56	37.42-45
Buenos Aires	16.08-11	46.88-71	22.84-87		20.05-13	14-39-72	14-39-72
London	5,220-30	2,764-55	90.00-85	78.20-80		0-52-43	4-35-44
Antwerp	1,200-30	2,505-5317	90.00-85	78.20-80	5,448-4515		99.975-05
Zurich	1,200-30	2,505-5317	90.00-85	78.20-80	5,448-4515		99.975-05

[illegible][illegible]

EURO-CURRENCY INTEREST RATES*

Nov. 9, 1970	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Shore term	11-11 1/2	51-6	7-5	51-5 1/2	2-5 1/2	1 1/2
1 days notice	11-11 1/2	50-8 1/2	6-5 1/2	50-5 1/2	2-5 1/2	1 1/2
1 week notice	11-11 1/2	50-8 1/2	6-5 1/2	50-5 1/2	2-5 1/2	1 1/2
1 month notice	11-11 1/2	51-7	6-5 1/2	51-5 1/2	2-5 1/2	1 1/2
3 months notice	11-11 1/2	71-7 1/2	8-5 1/2	51-5 1/2	2-5 1/2	1 1/2
6 months notice	11-11 1/2	71-7 1/2	8-5 1/2	51-5 1/2	2-5 1/2	1 1/2
9 months notice	11-11 1/2	71-7 1/2	8-5 1/2	51-5 1/2	2-5 1/2	1 1/2
12 months notice	11-11 1/2	71-7 1/2	8-5 1/2	51-5 1/2	2-5 1/2	1 1/2
<p>Paris-French deposit rates short-term 6-7 per cent; seven days' notice 6-7 per cent; one month 8-8 1/2 per cent; three months 7-7 1/2 per cent; six months 7-7 1/2 per cent; one year 8-8 1/2 per cent.</p> <p>London-English deposit rates short-term 6-7 per cent; two years 8-5 1/2 per cent; three years 9-3 1/2 per cent; four years 9-3 1/2 per cent; five years 9-3 1/2 per cent.</p> <p>The following 90-day rates were quoted for the London market: one month 8-8 1/2 per cent; three months 8-8 1/2 per cent; six months 7-7 1/2 per cent; one year 7-7 1/2 per cent.</p> <p>1-Short-term rates are quoted for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.</p>						
Nov. 9, 1970	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Authority bonds	Finance House deposit	Company deposits
Overnight		11-12				11-12
1 days notice			11 1/2			
1 week notice		11-11 1/2				
1 month notice	11-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2
3 months notice	11-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2
6 months notice	11-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2
9 months notice	11-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2
12 months notice	11-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2

SPECIAL DRAWING

FLIGHT RATES

on SDR is	Nov. 7	Nov. 6
German	0.572585	0.572522
U.S. dollar	1.18410	1.19197
Belgian franc	45.8336	45.8811
Swiss franc	3.03366	3.04038
French franc	6.17481	5.18486
Italian lire	798.735	799.071
Japanese yen	357.251	356.600
Spanish peseta	3.17478	3.18276
Swedish krona	5.16900	5.17250

Values are for currencies against the dollar as calculated by the International Monetary Fund in Washington.

•

FORWARD RATES		
	(One month)	Three months
New York	0.90-0.90 c. per	2.45-2.55 c. per
London	0.40-0.50 c. per	1.15-1.05 c. per
Antwerp	2-3 c. per	8-9 c. per
Amsterdam	40-20 c. per	175-85 c. per
Paris	8-5 c. per	78-18 c. per
Bombay	31-21 pt. per	104-124 pt. per
Calcutta	4-10 c. per	80-100 c. per

lan. 312-1 1/2 lire pm
lo. 513-314 nra pm

	Treasury bills *	Bank bills *	Time trad- e bills *
1-11/2	—	—	—
1-11/4	—	—	—
11/8	11 1/2	11 1/2	12-11 1/2
11/16	11 1/4	11 1/4	12-11 1/4
11/32	11 1/8	11 1/8	12-11 1/8
11/64	11 1/16	11 1/16	12-11 1/16
11/128	11 1/32	11 1/32	12-11 1/32
11/256	11 1/64	11 1/64	12-11 1/64
11/512	11 1/128	11 1/128	12-11 1/128
11/1024	11 1/256	11 1/256	12-11 1/256
11/2048	11 1/512	11 1/512	12-11 1/512
11/4096	11 1/1024	11 1/1024	12-11 1/1024
11/8192	11 1/2048	11 1/2048	12-11 1/2048
11/16384	11 1/4096	11 1/4096	12-11 1/4096
11/32768	11 1/8192	11 1/8192	12-11 1/8192
11/65536	11 1/16384	11 1/16384	12-11 1/16384
11/131072	11 1/32768	11 1/32768	12-11 1/32768
11/262144	11 1/65536	11 1/65536	12-11 1/65536
11/524288	11 1/131072	11 1/131072	12-11 1/131072
11/1048576	11 1/262144	11 1/262144	12-11 1/262144
11/2097152	11 1/524288	11 1/524288	12-11 1/524288
11/4194304	11 1/1048576	11 1/1048576	12-11 1/1048576
11/8388608	11 1/2097152	11 1/2097152	12-11 1/2097152
11/16777216	11 1/4194304	11 1/4194304	12-11 1/4194304
11/33554432	11 1/8388608	11 1/8388608	12-11 1/8388608
11/67108864	11 1/16777216	11 1/16777216	12-11 1/16777216
11/134217728	11 1/33554432	11 1/33554432	12-11 1/33554432
11/268435456	11 1/67108864	11 1/67108864	12-11 1/67108864
11/536870912	11 1/134217728	11 1/134217728	12-11 1/134217728
11/1073741824	11 1/268435456	11 1/268435456	12-11 1/268435456
11/2147483648	11 1/536870912	11 1/536870912	12-11 1/536870912
11/4294967296	11 1/1073741824	11 1/1073741824	12-11 1/1073741824
11/8589934592	11 1/2147483648	11 1/2147483648	12-11 1/2147483648
11/17179869184	11 1/4294967296	11 1/4294967296	12-11 1/4294967296
11/34359738368	11 1/8589934592	11 1/8589934592	12-11 1/8589934592
11/68719476736	11 1/17179869184	11 1/17179869184	12-11 1/17179869184
11/137438953472	11 1/34359738368	11 1/34359738368	12-11 1/34359738368
11/274877906944	11 1/68719476736	11 1/68719476736	12-11 1/68719476736
11/549755813888	11 1/137438953472	11 1/137438953472	12-11 1/137438953472
11/1099511627776	11 1/274877906944	11 1/274877906944	12-11 1/274877906944
11/2199023255552	11 1/549755813888	11 1/549755813888	12-11 1/549755813888
11/4398046511104	11 1/1099511627776	11 1/1099511627776	12-11 1/1099511627776
11/8796093022208	11 1/2199023255552	11 1/2199023255552	12-11 1/2199023255552
11/17592186044416	11 1/4398046511104	11 1/4398046511104	12-11 1/4398046511104
11/35184372088832	11 1/8796093022208	11 1/8796093022208	12-11 1/8796093022208
11/70368744177664	11 1/17592186044416	11 1/17592186044416	12-11 1/17592186044416
11/140737488355328	11 1/35184372088832	11 1/35184372088832	12-11 1/35184372088832
11/281474976710656	11 1/70368744177664	11 1/70368744177664	12-11 1/70368744177664
11/562949953421312	11 1/140737488355328	11 1/140737488355328	12-11 1/140737488355328
11/1125899906842624	11 1/281474976710656	11 1/281474976710656	12-11 1/281474976710656
11/2251799813685248	11 1/562949953421312	11 1/562949953421312	12-11 1/562949953421312
11/4503599627370496	11 1/1125899906842624	11	

OTHER MARKETS

Australia	\$1.45-81.85	Argentina	228-390
Austria	1.219-1.658	Austria	57-556
Brazil	17.73-17.88	Belgium	814-864
Canada	7.35-7.34	Brazil	28-25
France	70.76-72.41	Canada	2-110-12
Hong Kong	10.38-10.42	Denmark	12.28-55
India	142.5-144.5	France	8.85-9.10
Kuwait	0.588-0.596	Germany	2.50-3.40
Malaysia	79.80-80.08	Greece	73-76
Malaysia	5.2570-5.2868	Italy	1610-1604
New Zealand	1.9624-1.9889	Japan	610-640
Qatar/UAE	1.67-1.35	Norway	5.36-5.55
Singapore	5.0755-5.0945	Sweden	11.25-45

Africa...	1.7888	1.8846	Portugal
S.—			Spain....
Canada			Switz'n

Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. * Basis shown is the commercial rate, financial rate 104.61-104.61.

Special financial rate: 146.63-146.61. All rates nominal.

WEEKLY AVERAGES OF U.K. INDICES

Week to	Nov. 7	Nov. 21	Oct. 24	Oct. 17
Financial Times				
Nov. 1, 1981	68.24	67.59	67.56	66.41

the comparable period
This is a startlingly

crease, and all insurers, not just BIA members, will be watching with some anxiety to see what the BIA's year-end analysis discloses and whether, from their own individual and necessarily limited experience, there is an upsurge of commercial criminal losses.

29 and 58 must be
partly by the effect of

on sums insured and on the value of property stolen. BIA's figures make no allowance for the difference between the value of 1974's and 1975's ponds. Particularly on the commercial side it might be that more risks are now insured by BIA companies, either because they were not insured before or they had been transferred from non-members - although in the present state of the economy this does seem unlikely.

Without much more detailed analysis, of such factors as total

No.	kilo
-----	------

	No. of kilos	Average per kilo
African Highland Prod.	54,442	65p
Anglo Ceylon and Gen.	22,879	34p
Assam Company	5,484	62p
Assam Cond.	35,468	67p
Assam Deors	24,111	60p
Assam Frontier	244,185	67p
Attaree Khai.	18,622	67p
Kilantyre	57,641	57p
Cachar and Deors	6,388	64p
Ceylon Tea Plantations	16,366	65p
Dekhari	25,676	63p

Demondera	17.2
Doom Dooma	8.5
Eastern Assam	15.0

Eastern Produce	26,321	39p
Imperial	13,842	62p
Juneau	6,275	66p
Total	54,905	67p
Kenya	82,416	67p
Lanka	9,288	93p
Tuvalu	17,882	83p
Norway	22,788	68p
Orava	15,342	62p
Pheasant	32,281	66p
Real Estates and	67,885	33p
Sea Food and Lands	22,788	62p
Spring Valley	9,991	64p
Telbado	10,760	68p
Thru	19,456	67p
United States	22,788	62p

Stocks at October 31 amounted to 62.14 metric tons compared with 33.73 metric tons a year ago. Converted at 48.95 kilos per bag.

INSURANCE BASE

INSURANCE BASE RATES

† Atlantic Assurance ... 12 %
Cannon Assurance 9 %
† Address shown under Insurance and
Property Bond table.

FINANCIAL TIMES REPORT

Monday November 10 1975

ITALIAN BANKING AND INSURANCE

Italy is undergoing a profound and confusing process of change which strongly conditions the overall political, economic and social environment in which the banking and insurance industries have to operate.

Living in a volatile society

THE MAJOR advance of the left-wing parties at the general elections of June 15 led to a major shift of political power in Italy at local level, which has put virtually all of the country's major cities under the control of the Communist Party and their Left-wing allies and has also extended the latter's control to five of Italy's 15 constituted regions.

The Christian Democrat Party, which has dominated Italian politics since the war, now finds itself at the gap which formerly separated it from the Communist Party but so far rejected with paraded it from the Communist Party has been reduced to ten per cent, but in spite of the efforts of new secretary Benigno Zaccagnini to unite the party, strongly Leftward but with a view to electoral shock appears to be growing tendency for younger Italians, in particular, to seek internal rivalries and factional parties for the expression of their desire to participate in the task of running the country honestly and well.

While the Left-wing parties are busy consolidating their grass roots position in the country and coming to grips with the enormous problems of running the cities and industrialised areas, the Government nationally remains in the hands of a fragile two-party coalition of Christian Democrats and Republicans led by Prime Minister Aldo Moro and supported outside Parliament by the Socialists and Social Democrats. Signor Moro's Government survives essentially because if he fails the most likely alternative will be early general elections, and this presents an uncertainty which few politicians are prepared to face at this time.

But general elections are in any case due by early summer, 1977, and if present trends continue Italy faces the prospect of a fundamental change. The Centre-Left formula, under which Italy has been governed since 1963 has already been formally declared dead by the Socialist Party and others, but it is the only concrete alternative to the offer of historic compromise between Communists, Socialists and Catholics as put forward by the Communist Party but so far rejected with paraded it from the Communist Party has been reduced to ten per cent, but in spite of the efforts of new secretary Benigno Zaccagnini to unite the party, strongly Leftward but with a view to electoral shock appears to be growing tendency for younger Italians, in particular, to seek internal rivalries and factional parties for the expression of their desire to participate in the task of running the country honestly and well.

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But all this ferment is taking place against the background of an unprecedentedly sharp economic recession, which is partly cyclical but principally structural in nature in that Italy has ceased to be a low-wage economy but has not yet worked out how to replace the old model with an alternative which will demand both restraint on private consumption, more equitable and efficient taxation and a high rate of investment, if it is to succeed.

Over the first eight months of this year industrial produc-

This Report was written by
ANTHONY ROBINSON
Italy Correspondent

tion was down by over 12 per cent, and the latest official estimates point to an unprecedented 3.5 per cent GNP decline for the year. In spite of the Government's recent 14,000bn. refashioning package, approved by Parliament in October, the main hopes for recovery lie in an export-led expansion which depends on the strength of the international upswing and is not likely to materialise before the latter part of 1976.

On the positive side the sharp recession has halved inflation to an annual rate of around 12 per cent and produced an

unprecedentedly sharp turnaround in the former dangerously high balance of payments deficit. The new Governor of the Bank of Italy, Signor Paolo Baffi, told a Parliamentary committee last month that Italy will probably have a payments deficit of a mere \$300m. this year, or \$1.2bn. if repayment of \$900m. of foreign debt is included. This compares with an autonomous deficit—that is, before foreign loans—of 14,913bn. in 1974.

But this turnaround, due to a complex of factors including higher export receipts, a sharp drop in import volume, higher revenue from tourism and a

reverse of the former net capital drain, is essentially the result of a low level of economic activity which has raised unemployment above the 12m. mark, led to widespread short-time working, caused a vertical drop in new investment and produced grave financial difficulties in an economy highly dependent on expensive bank finance.

Indeed, one of the consequences of the recession has been to reveal once again the precarious financial structure of most Italian private and public companies, the State and local authorities. This is revealed by the latest Mediobanca report on the financial state of Italian companies, which shows that the proportion of their equity to other capital has fallen from 20.5 per cent. in 1968 to 13.4 per cent. last year, while their total debt position has increased from 45.7 to 54.5 per cent. of

their balance-sheet. Short and medium-term debts to the banks rose during this period from 20 to 26.6 per cent. At a time of high interest rates like 1974 this reliance on bank and other external finance resulted in a 73 per cent. increase in financial charges last year on the series of incentives for preferential investment in the bond market and the huge unwieldy expansion of the State-subsidised credit system run through the various special credit institutes and the Cassa per il Mezzogiorno.

But at a time when even the Italian Communist Party has declared itself a believer in the value of private enterprise and in the necessity for profit, the real problem is how to restore dynamism to the overall economic system and above all make profits on their activities.

The Bourse authorities themselves have made considerable efforts to upgrade the Bourse technically, and a new securities and exchange commission body called Consob has been created. But the real solutions are not technical but political and imply a reversal of the series of incentives for preferential investment in the bond market and the huge unwieldy expansion of the State-subsidised credit system run through the various special credit institutes and the Cassa per il Mezzogiorno.

But at a time when even the Italian Communist Party has declared itself a believer in the value of private enterprise and in the necessity for profit, the real problem is how to restore dynamism to the overall economic system and above all make profits on their activities.

Banks under heavy fire

CRITICS OF the Italian banks, and there are many of them, as the banks are also a principal source of funds to finance the ever-rising debts of local authorities and the State-controlled industries as well.

Indeed, the tightness of the credit squeeze last year was intensified by the huge and growing demands from a public sector whose massive debts reduced the amount of credit available for the private sector. This reflects the fact that managing the economy through monetary policy is essentially a very unsophisticated way of regulating things. It is not very good at discriminating between various kinds of borrower. It is much better at braking a boom than stimulating a recovery, and it tends to put the banks in a privileged position at the expense of the productive part of the economy. In part higher bank profits can be justified, as the Bank of Italy does in its latest annual report, by the fact that in such times the risks of lending are so much greater. But what upsets the productive part of Italy is that, whenever there is a credit squeeze, the first to be refused loan facilities or suffer the highest rates of interest are precisely those small and medium-sized industries which in Italy tend to be the most efficient, but also the most exposed to changes in the credit climate.

But it is not only companies who have felt the pinch, as the banks are also a principal source of funds to finance the ever-rising debts of local authorities and the State-controlled industries as well.

Indeed, the tightness of the credit squeeze last year was intensified by the huge and growing demands from a public sector whose massive debts reduced the amount of credit available for the private sector. This reflects the fact that managing the economy through monetary policy is essentially a very unsophisticated way of regulating things. It is not very good at discriminating between various kinds of borrower. It is much better at braking a boom than stimulating a recovery, and it tends to put the banks in a privileged position at the expense of the productive part of the economy. In part higher bank profits can be justified, as the Bank of Italy does in its latest annual report, by the fact that in such times the risks of lending are so much greater. But what upsets the productive part of Italy is that, whenever there is a credit squeeze, the first to be refused loan facilities or suffer the highest rates of interest are precisely those small and medium-sized industries which in Italy tend to be the most efficient, but also the most exposed to changes in the credit climate.

these frozen assets yield considerably less than those employed in loans and free investments. This means that the interest rates charged on loans to commercial customers have to be high enough to compensate for this, which means that ultimately private borrowers subsidise the rest.

Furthermore the cost of attracting deposits and keeping them is relatively high in Italy, lent out at over 20 per cent.

with major depositors able during the height of the squeeze last year to insist on rates of 10 per cent. and above. This, too, is a point which has caused a lot of friction among smaller depositors, particularly the less sophisticated ones who, unless they actually asked for higher rates, often found themselves receiving purely nominal interest on deposits subsequently lent out at over 20 per cent.

by the banks. Once the Press started publicising this fact a large number of rate decline in interest rates but depositors woke up and started aggressively demanding better treatment.

This competitive search for new deposits which is a feature of the Italian banking scene is furthermore a major drag on banks has dropped around eight lower rates once the pressure points to 12 per cent. over the cases. This has been most last nine months, but even so

CONTINUED ON NEXT PAGE

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Profits

High costs mean an inbuilt tendency to charge high rates of interest. The effect of this on company profits is particularly marked in Italy, where the inadequacies of the stock market and capital market generally have led to a gross under-capitalisation of companies and subsequent high dependence on short-term bank finance. Here bank finance is used not only to finance work in hand, exports and so on but also for investment purposes

considerable financial burden as the banks have been eroded from inside in this way, the increasingly dirigiste policies pursued by the Bank of Italy have further reduced their autonomy. The clearest example of this can be seen in the strict bond purchase targets set down by the central banks. These oblige the commercial banks to buy a certain percentage of bonds in order to retain stability in this vital channel of new finance for the State sector. The banks claim that some 55 per cent. of their total deposits are tied up in obligatory reserves and enforced bond purchases in this way. Not only does this reduce their freedom of manoeuvre, it also entails a

ITALIAN BANKING AND INSURANCE II.

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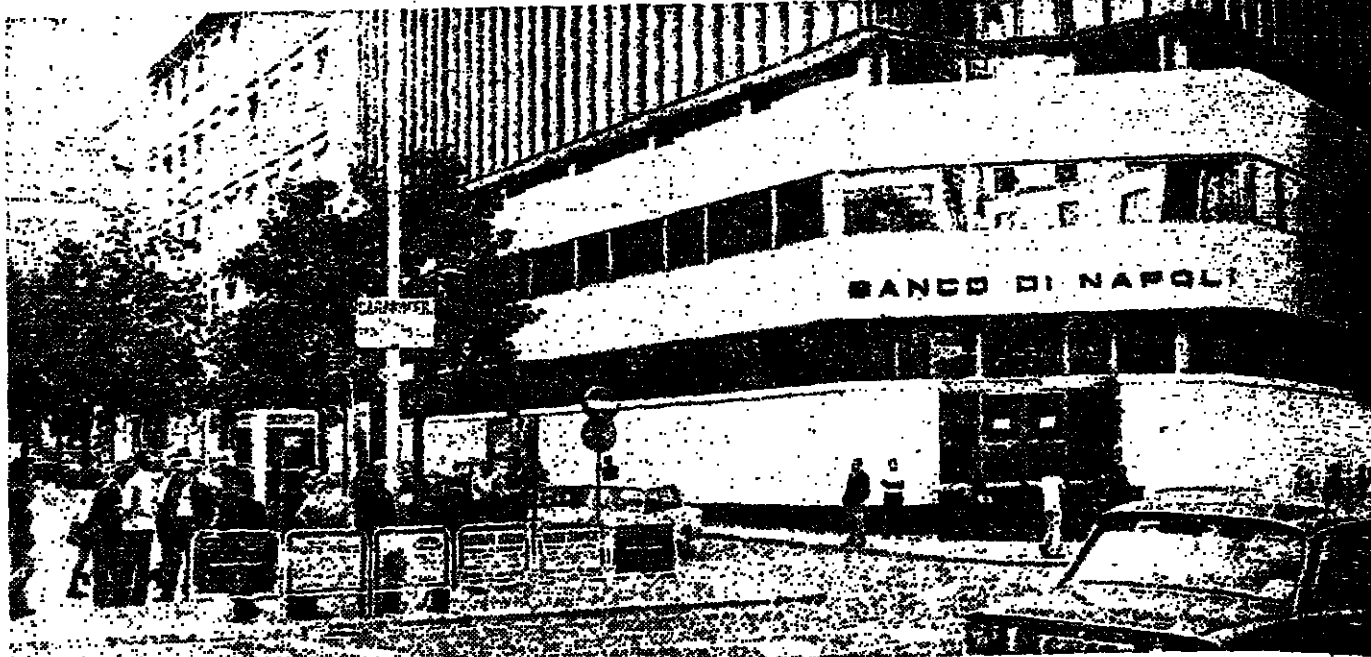
IN SPITE of all the criticisms made against the comparatively unsophisticated nature of the Italian capital and money markets, considerable efforts have been made over the last few years to increase the range of financial instruments and provide facilities for better money management. To a considerable extent the premises for such developments have been laid by the growing number of international, mainly U.S. banks, which have entered the Italian market principally to serve the multinational companies and the modern banking mentality they have brought with them.

Virtually all the principal New York banks, with the exception of Irving Trust and Marine Midland, are present with branch or representative offices, together with other international banks like the Banco do Brasil, Bank of Tokyo, Allgemeine Bank and British banks like Barclays and Westminster. Apart from their greater sophistication, the profitability of the international banks is essentially due to the wholesale nature of their operations. They are not interested in small deposits and are generally reluctant to lend below 500m. lire. They have often been successful in attracting deposits of their own, but the foreign banks are major users of the inter-bank money market which has developed considerably over the last three or four years.

The growth of inter-bank money trading is indeed one of the most significant indicators of a more sophisticated approach to the management of cash balances which has spread to a growing number of Italian banks as well. Highly liquid conditions over the latter part of this year have led to a massive increase in inter-bank trading. The Compagnia Finanziaria Interbancaria, a major operator in this market, for example, reports that in the four months July to end October the volume of its inter-bank trading operations amounted to around 65 per cent. of the total 1,100bn. lire trading volume it chalked up in the whole of 1974.

Interbancaria, under management director Guido Vitale, has played an important and highly profitable role in modernisation of the Milan financial structure. Recently, for example, it introduced a bankers' acceptance system for the first time, although the growth of this activity is closely linked to a reduction of stamp duties on such transactions which is currently under study by the Finance Ministry. At present there is a flat rate of 0.6 per cent. on such transactions, but this flat rate on a three month maturity trade bill, for example, represents an annual rate of 2.4 per cent., which cancels out the interest rate advantage which the acceptance scheme allows. The hope is that the overall stamp duty rates will be lowered and the flat rate converted into a graduated three, six and over six month period.

But perhaps the most exciting new development is that of the creation of a medium term syndicated financing instrument in lire. Interbancaria again is pioneering this development in company with certain U.S. and



A branch of the Banco di Napoli in Brindisi.

medium sized Italian banks. The Bank of Italy, which is anxious to see the development of a more sophisticated capital market has authorised banks to use from 8 to 10 per cent. of their deposits for medium term lending of this kind. These syndicated loans are based on the three month lire inter-bank rate plus a spread ranging from 2 to 2.5 per cent. Interest is payable every three months and borrowers are given up to 30 months grace, although capital repayment is normally annual. Early repayment before the 30 months are up carries a 0.50 per cent. penalty, but early repayment after this period has no penalty at all.

So far some 35bn. lire has been loaned for five years in this way, mostly to Italian companies but 7.5bn. lire of it to the subsidiary of a U.S. multinational. A further 100bn. lire is under negotiation at this time to three major Italian companies. Interbancaria acts as underwriter, puts together the syndicate and generally manages the deal. It calculates to be able to deliver the package to borrowers at some 1.5 per cent. below the going market rate and put it together much more rapidly than a conventional loan.

Apart from encouraging the above kind of activity the monetary authorities have also made their own direct contribution to a more articulated financial market by introducing short-term Treasury Bills and offering them for the first time through an open auction system. This has led to the creation of an active market in short term Treasury paper, with the more progressive banks running a profitable arbitrage business rather than just holding to maturity as the more conventional banks tend to do.

The monetary authorities have also tried several ways of making the traditional bond market more attractive to investors, first by encouraging ENEL to issue an inflation indexed series and then by encouraging issuers to reduce the life of their bonds from the earlier standard 15 or 20 years to around seven years. This emphasis on a shorter life reflects growing reluctance to invest in long dated bonds in an inflationary era. By reduc-

ing the duration and keeping yields high at a time of sharply declining short-term interest rates generally, the monetary authorities have managed to reactivate and make attractive this sector of the market. Inflation indexing is, however, not considered to be an experiment worth continuing as its potential disturbing effect on the rest of the market is too great.

Apart from the above developments the formerly by Bank of Italy directives

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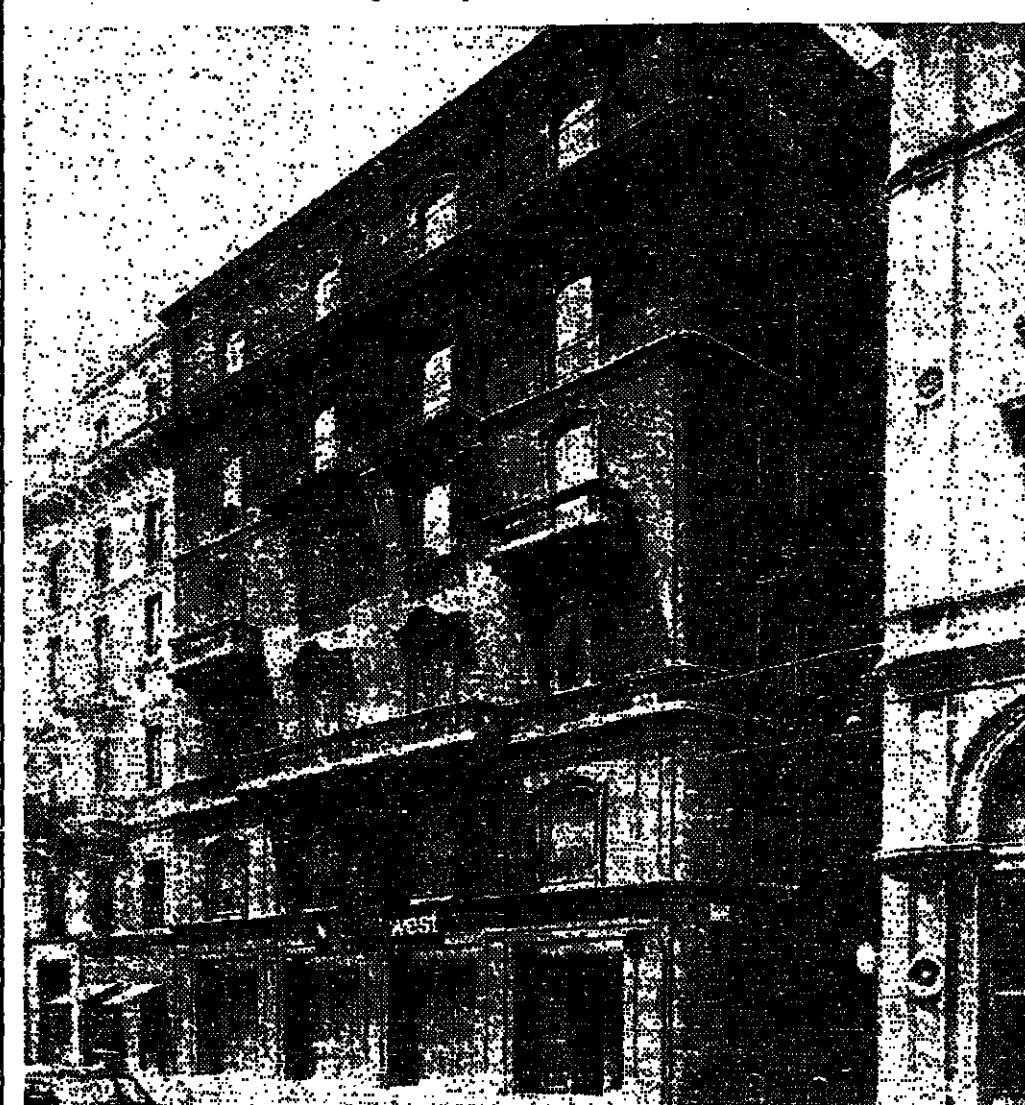
a prime rate this high at a time when inflation has dropped rapidly and when economic activity is at a very low ebb is still very high compared with international levels and is obviously a major inhibiting factor in any domestic recovery in economic activity.

A principal cause of the banks' reluctance to reduce their interest rates is the fear that the inevitable reduction in rates payable on deposits would result in widespread switching into the bond market, the increasingly attractive Treasury bill market, or into postal savings. There has been some switching, but the system as a whole has been highly liquid in 1975, as can be seen from the Bank of Italy figures, which show that total bank deposits between June, 1974, and June, 1975, rose from L72,608bn. to

L86,785bn. The percentage held in current accounts, however, has dropped from 59 to 50 per cent. But the most significant statistics are those which show the stagnation of lending in spite of the rise in deposits. Bank lending rose from L47,051bn. in June, 1974, to L52,045bn. at the end of the year. But lending then stabilised, so that by June this year total lending amounted to L52,666bn., which is actually lower than the L53,770bn. in January, although above the February-March low point.

Clearly in the currently depressed conditions there is no queue of prospective borrowers, and in spite of falling the credit trough with funds again, the monetary authorities and the banks are finding that the industrial horse is once again very reluctant to drink

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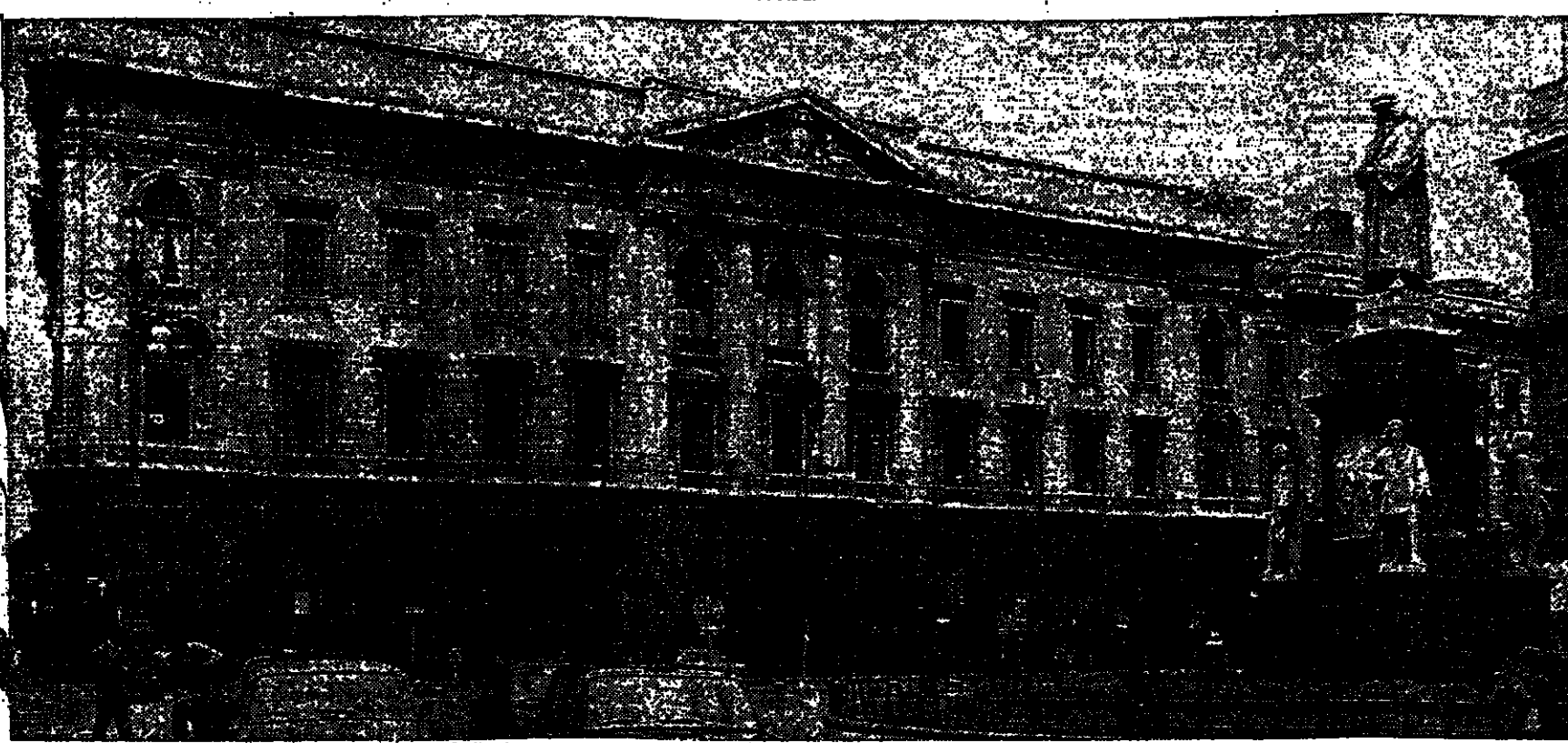
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Insurance sector does well

OVER THE YEARS Italians have demonstrated a considerable flair for insurance matters, and this has stood them in good stead as the industry picked itself up and expanded in the post-war period. In recent years the industry has continued to expand its premium income at a healthy rate, but overall profit margins have become increasingly squeezed by inflation and the increasingly complex nature of social and economic development and the risks involved in them.

At the latest count there were over 110 insurance companies operating in Italy, not counting a fringe of minor companies with premium income below 1,000m. lire annually, and the total premium income generated from the Italian market totalled a hefty 2,346bn. lire last year, an increase of 16.4 per cent. over 1973.

The lion's share of the total premium income accrued to the six largest groups, which stand head and shoulders above the rest of the pack with undisputed leadership in the industry held by the two largest groups—the Assicurazioni Generali group and the Riunione Adriatica di Sicurtà (RAS) group. For historical reasons these major groups have their head offices at Trieste and Venice, reflecting their early 19th century origin when much of the northern part of Italy still formed part of the Austro-Hungarian Empire.

Growth

These historical circumstances also contributed to the outward-looking nature of these two massive concerns, which right from the start identified the principal areas of growth beyond the then impoverished Italy, first into Mitteleuropa and then further east into Russia and subsequently South America, Australia, North America and the rest of Europe.

Heavy involvement in Eastern Europe resulted in heavy losses after the Russian revolution and developments in this area after the Second World War, but both RAS and Generali survived these setbacks and have continued to expand their international operations to the extent that foreign premium income for both groups represents more than 50 per cent. of their total income, and a proportionately greater volume of net profits.

Last year, for example, the Generali Group, that is to say the parent company and 30 directly controlled subsidiaries, reported a 16.8 per cent. increase in premium income, net of reinsurance, to L1,085bn., of which foreign income accounted for 66 per cent. If one takes into account the total premium of the Generali Group, including subsidiaries in which Generali has minority interests of above 10 per cent., the total premium income last year amounted to nearly L1,500bn.

The international presence of the two major insurance groups has been steadily reinforced furthermore by a series of agreements with major foreign insurance groups. Generali, for example, strengthened its presence in North America through an agreement with Aetna Life and Casualty of Hartford back in 1966 and has since made similar agreements with the Mitsui Mutual Life of Tokyo and the British group General Accident.

One of the principal objectives of this kind of agreement between major international insurance groups is to improve the kind of insurance cover and assistance for the multinational corporations. In the case of RAS, Italy's second largest group, the principal agreement of this kind is with the Travelers Group of the U.S. In

many ways the post-war history of the development of the RAS group is a case study of Italy's own recovery from the war. Pre-war the bulk of RAS activity was in Eastern Europe, which meant that when the company moved its main operations from Trieste to Milan in 1947 it virtually had to start again from scratch by capitalising on its reputation and experience. To-day RAS is active all over the world with a premium income of over 550bn. lire last year.

Handful

After these two large private groups comes the State-controlled Istituto Nazionale delle Assicurazioni (INA), followed by the Società Assicuratrice Industriale group, controlled by the IRI-Fiat group, whose Siat subsidiary is one of the most important maritime insurance companies. Beyond this big four is a handful of medium-sized groups like Toro, Reale Mutua, Tirrena, Milano, Fondiaria and Lloyd Adriatico and a whole host of smaller companies.

One of the interesting special cases in the industry is the Unipol group, which is owned by the co-operative movement, and it is within this area that most of its income and investments are concentrated. Since its formation in 1961 this Bologna-based group has strengthened its international links principally through agreements with the other co-operative insurance groups in Western Europe.

Up to now the industry has been organised principally on the agency system, but there are now growing signs of the development of insurance broking activities, particularly by U.S. and British brokers. Significantly the first foreign company to be quoted on the Milan bourse was C. T. Bowring.

Reinsurance

There is also an active reinsurance activity here, with the flagship being the Unione Italiana di Riassicurazione (Unioras) whose 120bn. lire premium income in 1974 puts it among the world leaders in this field. Roughly half the total premium income comes from abroad.

Unioras is a unique example of co-operation between State and private insurance, with 40 per cent. of the shares held by the State group INA and the remainder by Assicurazioni Generali, RAS and the other private groups. Unioras organises pools and special consortia for specific sectors and also disciplines the market to a considerable extent.

Up to now State participation in the insurance field has been limited principally to the INA group, but there have been frequent left-wing attempts to nationalise or increase State control over important sectors of the market. This is particularly the case in the auto insurance sector, following the introduction of compulsory motor insurance in 1971.

The whole subject of motor insurance is presently subject to investigation by a special parliamentary commission, which is also examining the insurance companies' demands for permission to charge higher premiums in a sector faced with rapid inflation of costs. The companies claim to lose heavily on their motor insurance business and are pressing for higher premiums. But it also appears to be a sector in which there has been a severe deterioration in professional standards. Some 28 groups, the principal agreement of this kind is with the Travelers Group of the U.S. In

industry association Ania for repeated complaints of non-liquidation or long delayed and insufficient liquidation of claims. Abuses in this sector of obligatory insurance represents a major threat to the long-term survival of a private insurance industry in a country undergoing a fundamental process of political and social change.

Meanwhile the rapid growth of crime, including burglaries, kidnapping and other crimes against persons or property, have turned anti-theft insurance into a major loser, in spite of rapidly rising premiums. Transport, particularly marine insurance, where the powerful shipping companies manage to keep premiums low, is another loss-maker while life insurance, accidents and illness are among the major income producers.

Invisible

Up to now the insurance industry, which employs 45,000 people directly through the various companies plus another 50,000 agents and some 5,000 liquidators, claim adjusters and other technical experts, has been a major source of invisible income to the Italian economy. But it is an industry which has come under increasing scrutiny because of alleged malpractices by a fringe of newcomers to the industry in the wake of the compulsory motor insurance provisions and through a marked slowing down of liquidation payments, which reflects to some extent the industry's attempt to compensate for its failure to obtain permission for higher tariffs in view of sharply rising costs.

These international policy writing, reinsurance and investment activities of the major groups have also aroused left-wing suspicion of capital export and raised demands for a higher rate of investment within Italy itself. This and other restrictive demands on its entrepreneurial activities pose a serious threat to an industry which has remained an essentially private enterprise sector up to now but is aware of the difficulties involved in maintaining this position in the face of growing attacks on its independence.

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Lisbon rally ends in chaos as gas scatters crowd

BY PAUL ELLMAN

A BIG pro-Government rally broke up in scenes of wild disorder here this evening, after gas grenades and explosive petrols were let off in the middle of the crowd.

With the armed forces already on a state of alert, the attacks brought a sharp increase in the tension surrounding the run-up to Angolan independence at midnight to-morrow.

The rally had been called by the Socialists and the Popular Democrats, the two biggest Portuguese parties, to proclaim their support for Admiral Pinheiro de Azevedo, the Prime Minister, in his drive against the crisis of authority which threatens the survival of the sixth provisional Government.

About 30,000 people gathered during the late afternoon in the Terreiro do Paço on the Lisbon waterfront, turning the square into a red and orange sea of Socialist and PPD banners.

Most were families accompanied by children in their Sunday best and despite the militancy of the slogans they chanted, the atmosphere was almost festive.

The Government had during the previous week been given something to celebrate, since it survived two moves designed to remove it from power. These actions were the clearing of Leftist civil servants from the Information Ministry after they launched a campaign for the removal of Lieut.-Col. Ferreira, the Secretary for Information, and the destruction of the transmitters at Radio Renascença to end its use by extreme Leftists who had refused to end their occupation of the station.

As the need for discipline was immediately taken up by the Prime Minister in his speech, delivered from the balcony of a Government building, with Dr.

Mario Soares, the Socialist leader, and Dr. Carneiro, the PPD leader, at his side.

The April 25 coup last year had not been undertaken, the Prime Minister said, "in order to substitute one minority by another, one intolerance by another, one violence by another violence."

He belaboured both the extreme Left and Right, warning that the danger of a new dictatorship was present at both ends of the spectrum.

"To roars of approval, he denounced indiscipline in the armed forces referring to the 'depressing spectacle of hooded soldiers and officers in street demonstrations'."

As he went on, scuffles broke out on the fringe of the crowd, and the shouting and banging of exploding in the middle of the demonstration.

Thousands fled, weeping and vomiting as the nauseating cloud

of gas filled the square. Children, tearing at their hair in panic and crying for their parents were trampled underfoot.

A group of military policemen breaking up a scuffle became the target for the crowd's rage when they donned gas masks, jumped into heaps and drove off.

Poles used to support banners were turned into cudgels as demonstrators pursued the military police, screaming "Cowards!"

The military police regrouped on the other side of the square and fired automatic weapons to drive back their pursuers. The shooting added to the pandemonium as people rushed to take cover, or threw themselves to the ground.

Observers believed to-day's disruption was the work of extreme Left groups, angered by the use of tear gas during the demonstration at the Information Ministry last week.

Iran rail deal may boost exports

BY ARTHUR SMITH

BIG EXPORT orders could result from a firm consultancy contract awarded to British Rail by Iran.

Transmark, the British Rail consultancy subsidiary, is to carry out preliminary studies and design work to modernise and electrify 625 miles of the Iranian network. Early estimates suggest that the cost of the project, which will take some seven years, will be about £10m.

British companies understood to be seeking a share of the work include GEC, John Laing International, and Sir Alfred McAlpine.

Mr. Richard Marsh, chairman of British Rail, described the Transmark contract, which was signed in Tehran over the weekend, as a "significant breakthrough."

It opened the door to the possibility of very big orders for railway equipment and rolling stock, and could mark the first stage of considerable world-wide exports of British Rail products.

"It is a success story in which British Rail and private industry in this country have co-operated. It is now up to us in Britain to take advantage of the opportunities created."

The line to be modernised runs from Tehran to Tabriz, linking the Iranian capital with the Turkish border. It is now up to us in Britain to take advantage of the opportunities created.

The line to be modernised runs from Tehran to Tabriz, linking the Iranian capital with the Turkish border. It is now up to us in Britain to take advantage of the opportunities created.

Sandilands: the way ahead

The inflation accounting ball has now been firmly served into the Government's court. The various factions in industry and the accounting profession have agreed to paper over their still wide differences in order to open the way for official acceptance of the Sandilands Report.

But the impression which emerged from last week's two-day Financial Times conference on inflation accounting was that political considerations had come to elbow out the search for a truly comprehensive and comprehensible system.

CC and prices

Essentially, Sandilands proposes a switch from one extreme to the other: from historic cost accounting, which throws up very high profit figures in times of rapid inflation, to current cost accounting, which in present conditions is likely to lead to a drop of some three-fifths on average in published pre-tax profits. The importance of the adoption of CC principles by the Price Commission was given considerable stress at the conference. But it does not require the adoption of a new universal accounting system in conditions of haste and wide disagreement simply in order to obtain relaxations of the Price Code.

In such a political debate, of course, those who do not stand up and make their presence felt tend to be ignored. This is the experience of the banks, which did not make submissions to the Sandilands Committee, and have found themselves left high and dry with their profits still ostensibly very large and their tax liabilities scarcely reduced. Perhaps the residual provisions for disclosing purchasing power in corporate liquidity have had a greater influence on share prices than reported earnings.

In this sense, CC earnings, being more directly related to liquidity, may be reflected in share price movements more closely than CPP figures. But it would be surprising if CC earnings were to maintain this relationship with share prices in the longer term.

Incidentally, the brokers point out that global figures for industrial profits on approximately the Sandilands basis have for some time been available in the National Income Accounts.

every type of company." His honesty was refreshing, but it clashed with the report's claim to provide "a fully comprehensive method of accounting for inflation."

It is apparent that the great inflation accounting debate has failed to produce a solution which is fully acceptable to all users of accounts. Proponents of the CPP system, as put forward in SSAP 7, made the tactical error of suggesting that the inflation-corrected figures were in some sense "supplementary" and have not coped adequately with the problem arising from the fact that trends in liquidity and profitability may be quite different. On the other hand, CC accounting concentrates on liquidity to the exclusion of any consideration of changes in the purchasing power of the proprietors' funds.

The needs of shareholders have emerged as being different from those of economic policy-makers and industrial managers, and in political terms subsidiary to them. But this need not pose any major problems for the stock market. After all, the stock market has proved a better interpreter of events in the recent past than either governments or industry. If CC accounting gets the go-ahead, the analytical problems will change but will be by no means insuperable.

In the decade 1964-74 historical trading profits before interest and tax as a ratio of stocks plus net fixed assets fell from 15.5 to 14.7 per cent, on a crude Sandilands basis the decline was from 10.8 to 3.1 per cent.

Perhaps the most worrying inflation accounting problem now is that industry and the City may be facing a long and confusing interregnum. Even the Sandilands timetable would not lead to official CC accounts being produced before 1978 (in respect of calendar 1978) and no one is sure whether this can be achieved in practice. A few ardent garde companies could no doubt switch over quite quickly—Pilkington says it will go over to the Sandilands basis for the period beginning next April, at least for management accounts. But this is very untypical, and those companies which have followed SSAP 7 may be reluctant to go on backing a loser. There could easily be even fewer inflation-adjusted accounts than before.

The best way out of this transitional crisis may be to encourage companies to make crude Sandilands adjustments. Many companies already use replacement cost methods for internal purposes, and a rough cost of sales adjustment should not pose too many problems. The calculations could be made with the aid of the auditors though they would not be formally audited.

Problem areas

But many problems remain to be solved before a full CC accounting standard can be introduced. It is obscure how many companies will wish to value part or all of their assets at less than full replacement cost. Need the cost-of-sale adjustment be applied to off contracts, as is common in the case of contractors and heavy engineers, and should it relate to work-in-progress or net of progress payments? Overseas operations present another area of major difficulty. And it may be necessary to negotiate obligations such as trust deeds, given that a change in the nature of profits and income is proposed.

Heath fails to stop report

BY STEWART FLEMING

MR. EDWARD HEATH, the former Conservative Prime Minister, made an unsuccessful attempt late on Saturday night to prevent the Sunday Times from publishing a report suggesting that he had unwittingly profited from share trading activities by Slater Walker Securities.

Mr. Heath applied for an ex parte injunction to prevent the article from being published. The application was heard by Mr. Justice McKenna, a Queens Bench judge, sitting at his home in the Temple.

The judge rejected Mr. Heath's request after representations on his behalf by Sir Peter Rawlinson, Attorney-General in the last Conservative Government.

Mr. Heath yesterday refused to comment on the Sunday Times report. He said that the article was subject to "legal process. It is obviously wrong for me to comment."

The Sunday Times report alleged that some of the Tory "P" assets had been managed between 1968 and 1970 by Slater Walker and that Mr. Heath, through a nominee account, was a shareholder in Tokentake Investments and Oriental Carpets. It suggested that as a result of these investments he made a substantial gain.

'Never aware'

The article emphasised that Mr. Heath gained unilaterally from Slater Walker's share trading activities and that he was never aware of the methods by which his investments were increased.

It said that Mr. Heath on becoming Prime Minister in 1970, instructed that all his shares should be sold, whether profitable or not, and the money put into trust.

The Sunday Times said: "It is necessary to bring Mr. Heath's name into this story not to impugn his integrity, but to cast light on the workings of the Slater Walker empire which, at its high point, had considerable influence on political and economic and social attitudes in Britain."

Mr. Peter Walker, the former Conservative Trade and Industry Minister, who was a founder member of Slater Walker, but left the company several years ago, said yesterday: "Whether Brown Shipley had any connection with Slater Walker, I do not know. I know of no connection between Mr. Heath and Slater Walker."

Mr. Heath is a former director of Brown Shipley.

Oil industry still waits for State BNOC plans

BY RAY DAFTER

ALTHOUGH THE Bill setting up the British National Oil Corporation is due to receive Royal assent this week, there is still much uncertainty within the oil industry about the proposed structure of the State undertaking.

There are indications that Lord Kearton, chairman-designate, and Mr. Anthony Wedgwood Benn, Energy Secretary, have been re-evaluating the way in which the organisation will operate. It is possible that they may even drop the idea of appointing a top oil industry figure as chief executive.

Oil companies have known for some time that the team of head-hunters have been finding it difficult to present a candidate who meets the criteria laid down in the original corporate structure brief.

Apparently the idea now

emerging is for a comparatively small operating unit, at least in the early years, with a part-time board of established executives from various industries and the civil service. Below them would be a permanent staff of younger specialists.

It is coincidental that such a structure would broadly follow the pattern established in the former Industrial Reorganisation Corporation, of which Lord Kearton was a chairman.

In preliminary talks with oil companies, it seems Lord Kearton has been stressing that the BNOC will strive to play a partnership role with industry. Although the Petroleum and Submarine Pipelines Bill gives the Corporation wide powers to become involved in oil and downstream activities anywhere in the world, its size and influence in the early years will largely

be shaped by the number of participation agreements made with North Sea oil groups.

Negotiations are known to be taking place with a handful of companies like BP, Burmah, Tricentrol and Deminor, organisations in which the Government holds some leverage either through its direct financial stake, or because of financing arrangements already agreed. The Government has yet to start tackling other major operators like Shell and Esso, however.

The Bill not only makes provisions for the BNOC but also down completely new conditions for North Sea exploration, development and licences. The oil industry—through the U.K. Offshore Operators' Association—has protested at the retroactive powers in the Bill which affect existing licences as well as new ones.

Dispute may close hospitals

BY LORELES OLSLAGER, LABOUR STAFF

MILITANT ACTION by junior doctors seeking better overtime pay is to be stepped up in the North-West to-day to a point where health authorities are not excluding the possibility that hospitals may have to be closed.

The junior doctors in the area—by far the most militant throughout the dispute—expect that seven hospitals will have to close their casualty departments and that seven others will have to stop admissions.

Under the stepped-up campaign, junior doctors at nine hospitals will work from only 9 a.m. to 5 p.m. unless they are offered overtime pay at the rate of £11.50 for every four hours. At 22 hospitals they will also

refuse to work more than 40 hours a week, but have agreed to arrange around-the-clock shifts.

Health officials in the area said yesterday that it was "on the cards" that hospitals might have to close.

Dr. Wasily Sakala, leader of the North-West action committee, said that patients would be exposed to increased risks by the stepped-up action.

If someone died the blame would lie with Mrs. Barbara Castle, Secretary of State for Health and Social Security, for letting the hospital service collapse rather than give junior doctors their due.

The intensified campaign in

the North-West is getting under way as the deadline expires for junior doctors to post their ballot papers on national industrial action.

The British Medical Association, which is organising the ballot, expects the results to be known within 10 days. Members of the BMA's Junior Doctors Committee said yesterday that it was impossible to predict the outcome, but the militants expect an overwhelming vote for industrial action.

Delegates representing about 7,500 junior doctors from nine English regions called at a meeting in Leicester on Saturday for a national campaign to treat only emergency cases.

Maxwell to outline new plan

BY CHRIS SAUR, IN GLASGOW

He said that an evening newspaper could achieve a circulation of 150,000 copies a day and that its workers would be drawn from the former employee-shareholders of the Scottish Daily News.

Without repeating the co-operative experiment, he plans to introduce an element of "worker participation" with shop-floor representatives sitting on the Board.

Mr. Maxwell, owner of the Oxford-based Pergamon Press book-publishing company, staked £114,000 on the Scottish Daily News. He has believed for some time that there is room for a competitor to George Outram's Glasgow Evening Times.

The Evening Times has had a monopoly in Glasgow since its owner, Sir Hugh Fraser, paid Beaverbrook Newspapers £2.75m. for the title of the Evening Citizen, which was closed 19 months ago.

Mr. Maxwell as well as meeting the workers, plans to discuss his proposals with Scottish Office representatives. He also says that he wishes to start negotiations soon with printing union officials about manning and pay agreements for the evening newspaper which he hopes eventually to transform into a 24-hour morning-and-evening publication.

He is not expected to see the company's provisional liquidator, Mr. James Whitton, to-morrow.

ownership of the phosphate producing facility at Bu Craa with Spain. Spanish Sahara has the world's largest reserves of phosphate.

If such an agreement had been reached the march could have taken place but would, so far as Spain was concerned, have been merely symbolic. But it would have been a potent gesture to Algeria, which has long opposed Morocco's claim to the territory and backs the cause of self-determination for its 700,000 inhabitants, many of whom are nomads.

Spain apparently changed her mind over an agreement, partly because the Moroccan offer over the phosphates was not good enough, and partly because she came under pressure from Algeria, which is thought to have threatened to cut off gas supplies to Spain if she refused to allow self-determination for the territory. The change of mind coincided with Prince Juan Carlos' assumption of power as acting Head of State.

It is difficult to see how Morocco can now obtain the territory, given the strong Spanish commitment to self-determination. For King Hassan the failure of the march to achieve its original objective could expose him to serious political dangers at home.

Continued from Page 1

Morocco march

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Continued from Page 1

Confident Sadat

Publicly, he said that the Labour Government's close links with Israel could be a helpful factor in the Middle East negotiating process. He proposed that Britain and France should join in a reconvened Geneva conference and eventually be among guarantors of a final "global settlement."

Explaining his anxiety to reconvene the conference, President Sadat said: "My concern is to keep the peace process in momentum." In this context he referred to the U.S. elections, implying that because of them the Arabs could not expect too much from the U.S. peace initiative over the coming year.

Weather

U.K. TO-DAY
Mostly dry. Sunny spells. Light S.W. wind. Cent. N., East. S. England, E. Midlands, Channel Isles.

Sunny intervals, perhaps a few showers. Wind E., fresh. Max. 9C (48F).

S.W., N.W. England, Lakes, W. Midlands, Wales, I. of Man, S.W. Scotland, N. Ireland.

Dry. Some sunny spells. Wind E., moderate or fresh. Max. 10C (50F).

Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Cent. Highlands, Moray Firth, Argyll, N.E. Scotland.

Dry. Sunny intervals. Fog patches at first. Wind S.E., light or moderate. Max. 9C (48F), with frost in places at first.

Orkney, Shetland.

Dry. Sunny intervals. Wind S., light or moderate. Max. 9C (48F).

Outlook: Cold. Some showers in E. and S. England.

Lighting-up: London 18.50, Manchester 18.32, Glasgow 18.51, Belfast 17.03.

BUSINESS CENTRES		
City	Y'day	Y'day
Amsterdam	C 6.53	Manchester F 10.30
Antwerp	C 12.38	Maastricht C 12.38
Bahrein	C 23.82	Mexico City S 19.46
Bangkok	C 12.24	Bilbao C 10.39
Bombay	C 24.13	London C 14.27
Brussels	C 8.46	Moscow C 1.47
Buenos Aires	C 8.46	Munich C 1.41
Cairo	C 4.20	Nairobi C 10.39
Cardiff	C 8.46	New York S 22.23
Colon	C 8.46	Paris C 7.45
Copenhagen	C 8.46	Perth C 5.21
Dublin	C 8.46	Prague C 4.43
Edinburgh	C 8.46	Reykjavik C 4.49
Helsinki	C 8.46	Rio de Janeiro C 20.45
Hong Kong	C 8.46	Singapore C 24.26
London	C 8.46	Stockholm C 4.27
Lyons	C 8.46	Strasbourg C 5.45
Madrid	C 8.46	Sydney C 21.29
Manila	C 8.46	Tehran C 11.32
Mexico City	C 19.46	Tel Aviv C 14.27
Moscow	C 1.47	Tokyo C 26.62
Munich	C 1.41	Toronto C 14.27
Nairobi	C 10.39	Vancouver C 11.32
New York	S 22.23	Warsaw C 8.46
Paris	C 7.45	Zurich C 5.41
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Tokyo	C 26.62	
Toronto	C 14.27	
Vancouver	C 11.32	
Warsaw	C 8.46	
Zurich	C 5.41	

HOLIDAY RESORTS		
City	Y'day	Y'day
Alacero	S 17.65	Istanbul C 14.35
Alanya	S 17.65	Jersey C 9.46
Almeria	S 17.65	Las Palmas C 9.46
Blackpool	C 10.39	Lorca C 9.46
Bournemouth	C 10.39	Malaga C 13.56
Boulogne	S 17.65	Marbella C 13.56
Calcutta	S 22.23	Madrid C 24.26
Cairo	S 19.46	Manila C 26.62
Cardiff	S 19.46	Naples C 24.26
Colon	S 19.46	Nice C 14.27
Copenhagen	S 19.46	Osaka C 26.62
Dublin	S 19.46	Perth C 14.27
Edinburgh	S 19.46	Rome C 14.27
Helsinki	S 19.46	Salzburg C 14.27
Hong Kong	S 19.46	Strasbourg C 14.27
London	S 19.46	Tel Aviv C 14.27
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Toronto	S 14.27	
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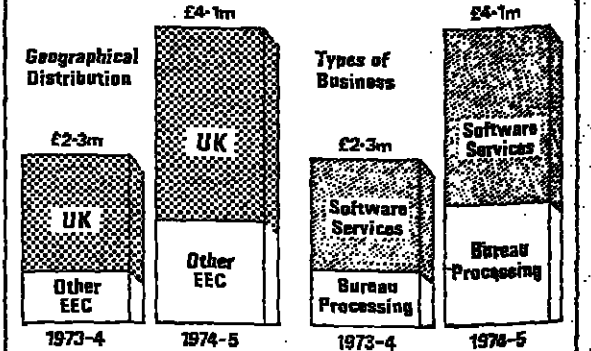
CMG

78% Growth in 1974-75

1974-75 saw growth to a turnover of £4.1 million, an increase of 78%. This was less than originally forecast due to our view of the economic situation. Operating profit increased to £196,000 and staff grew by 30% to 400, most of whom are shareholders.

CMG Frankfurt, started in 1974, is already profitable and a further Dutch subsidiary was opened in Rotterdam. In total, the Group's EEC business outside the UK grew by 100%. CMG now control all shares of Pyramid Computer Services Ltd.

COMPUTER SERVICES SUPPLIED
£4.1m 1974-75



During the current year the Group will concentrate on increasing profits especially outside the UK. We do not plan in the present climate to repeat our previous rapid sales growth. However, the value of computer services as an economic aid to business generally means that CMG's market will continue to grow. The wide geographical and business spread of the Group will ensure stability and continued success.

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Copies of the report and accounts available.

Equity Right upstaged by Left

BY MICHAEL THOMPSON-NOEL

THE long-running struggle over the internal affairs of Equity, the actors' trade union, surged towards stage Left yesterday at a series of three special meetings at the Coliseum, London, which ran for ten hours and played to packed galleries.

Last night after a run of reversals for the union's moderates led by Mr. Nigel Davenport and Mr. Kenneth More, the scene seemed set for "old guard" members to stage a breakaway movement.

The moderates had attempted to have written into the union's rule book that Equity was to be "non-political and non-sectarian."

Two proposals to this effect failed to secure the necessary two-thirds majority by 161 and 355 votes respectively.

There were 2,000 actors and actresses present, only 12 per cent of the total membership, although the meetings were the best-attended for years.

Earlier, attempts by the

Equity council to break out of what it called a "vicious circle" in which decisions taken by a referendum of the full membership could easily be reversed, were similarly thwarted.

Miss Vanessa Redgrave, the leading light on Equity's Left-wing, proclaimed the day's events a major victory for the militants.

Mr. More said of the failure to declare Equity as non-political and non-sectarian: "We have lost to-day. It is a major setback. As an actor and a human I am very disappointed. We have to concede victory to the Left. Talk of a breakaway union will obviously come up again."

Wages issue

Mr. Davenport said: "This is not a struggle of personalities. But a question of principles. Either you want politics in the union or not. We want to dispel the myth and get on with the job of fighting for better wages for more work, and against

studio shutdowns. At the moment we can't. We have no time because we are always having political arguments."

The Davenport-More line, which has the support of Lord Olivier, who is in the U.S., Sir John Gielgud and Sir Ralph Richardson, was opposed by the Equity council on the grounds that the designation "non-political" made no sense in relation to much of what Equity had to do in the interests of its members.

"There is no way in which this union can effectively protect its members without taking action on supporting or opposing policies which are clearly political but which, nonetheless, are crucial to the entertainment industry," said Mr. Peter Plowright, Equity general secretary.

The series of votes on Equity's projected rule changes failed to secure a two-thirds majority by margins ranging from 25 votes

to 155. The council succeeded in altering one rule: it will now be able to say how long the union's annual general meeting is to last.

The council, which is elected annually by postal vote, had sought to end the situation in which special general meetings, at which 100 members can reject referendum decisions by the full membership.

'Actors asleep'

In turn, the council can decide that the SGM decisions are not in the best interests of members—but 40 members can then demand a further SGM which in turn can demand a fresh referendum.

A big problem yesterday was the unwise decision to start the first meeting at 10 a.m. "Many actors were still asleep," said Mr. Plowright.

At the final meeting, the council won a victory over a move of censure.